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FRY Voices 'Dismay' Over U.S. Plan for Bosnia

LD1202030393 Belgrade TANJUG in English 0025 GMT 12 Feb 93

[Text] New York, Feb 11 (TANJUG)—Co-chairmen of the Geneva conference on former Yugoslavia Cyrus Vance and David Owen said on Thursday [11 February] they "understand" Yugoslavia's dismay over that part of Washington's plan for the settlement of the conflict in the strife-torn former Yugoslav Republic of Bosnia-Hercegovina which threatens Belgrade with even tougher sanctions and pressures.

Yugoslav Foreign Minister Ilija Djukic on Thursday informed Vance and Owen about Yugoslavia's positive attitude towards America's decision to take an active part in the peace efforts.

The Yugoslav Government is pleased that Washington has decided to back the Vance/Owen plan, but it is dismayed over certain assessments and especially threats that even tougher sanctions will be imposed—at a moment when the UN secretary-general, Vance and Owen and the Security Council have all rated positively the role played by the Yugoslav Government in Geneva in New York. [sentence as received]

Lord Owen said on several occasion on television here in the past few days that given the role Belgrade played in the peace efforts it was "absurd" to threaten it with stricter sanctions.

Vance and Owen told the Yugoslav minister that the talks could be expected to resume around the middle of next week.

Newly-appointed U.S. envoy for the talks Reginald Bartholomew is expected to arrive here from Moscow on Monday [15 February] or Tuesday, after which consultations behind closed doors will start in the Security Council.

Bosnian Muslim leader Alija Izetbegovic is also expected to arrive around the middle of next week, when Vance and Own hope that all three sides will assemble one more time.

Owen and Vance, who have also pointed to a need for a continued Yugoslav presence in New York in the next stage of the talks, have been promised by Yugoslav envoys that the Federal Republic of Yugoslavia is committed to the role it is playing in the peace talks on Bosnia-Hercegovina.

NATO Chief Hails U.S. Initiative on Bosnia

LD1102213793 Belgrade TANJUG in English 2104 GMT 11 Feb 93

[Text] Brussels, February 11 (TANJUG)—Secretary-General of the North Atlantic Treaty Organization (NATO) Manfred Woerner applauds the intention of the United States (U.S.) to take an active and direct role in seeking a just and possible solution to the conflict in former Yugoslavia, a representative of the Brussels NATO headquarters said on Thursday [11 February].

The NATO press spokesman told TANJUG that Woerner expressed deep satisfaction at the intention of the U.S. to contribute towards an [words indistinct] to all three warring sides in agreement which would [words indistinct] Moslems, Serbs and Croats.

Woerner assessed as very important U.S. President Bill Clinton's warning that the Bosnian conflict will not be allowed to spread to the Serbian province of Kosovo and neighbouring regions.

NATO remains ready to contribute to efforts by the United Nations (U.N.) to secure peace in the region, as always, the spokesman told TANJUG.

UN Head Threatens To Pull Forces From Croatia

AU1202085393 Paris AFP in English 0849 GMT 12 Feb 93

[Text] United Nations, Feb 12 (AFP)—U.N. Secretary General Butrus Butrus-Ghali is threatening to pull his peacekeepers out of Croatia unless Zagreb and local Serbian authorities agree to stop their armed conflict in the southern Serbian enclave of Krajina.

In a report to the Security Council, a copy of which was obtained by AFP Thursday [11 February], Secretary General Butrus Butrus-Ghali said that Croatian forces had not returned to positions they held prior to last month's offensive.

U.N. Security Council Resolution 802, passed on January 25, called on the Croatians to pull back and on Serbs in Krajina to return the heavy weaponry they seized from arsenals under U.N. control.

Croatian government forces shattered a year-old U.N.-brokered truce last month, launching an offensive to regain land held by Serb nationalists Krajina and open a land corridor from Zagreb to the heavily populated Adriatic coast.

Butrus-Ghali urged Zagreb and Serbian authorities in the areas under U.N. protection and adjacent sectors to make a top-level commitment to seek a political solution to their conflict.

"I have come to the conclusion that unless these two factors are addressed, a sound basis will not exist for renewing UNPROFOR's mandate in Croatia," wrote Butrus-Ghali. UNPROFOR is the acronym of the U.N. peacekeeping force in the former Yugoslavia.

Fighting continued in Krajina Thursday, with Serbian forces attempting to retake the strategic areas now under Croatian control.

The secretary-general did not set a deadline for deciding whether to withdraw the 13,000 U.N. troops in Croatia.

But he recommended that the Security Council renew the force's mandate only until March 31. It expires February 21.

The extended, six-week mandate will give the warring parties the possibility of negotiating a new political solution, should the current peace agreement—the Vance Plan drafted by U.N. mediator Cyrus Vance—be deemed inapplicable.

A new peace agreement could alter UNPROFOR's mandate in Croatia.

Consultations on Krajina were under way here under the guidance of the co-chairmen of the Yugoslavia peace conference, Vance and European Community representative Lord Owen, both of whom last week met repeatedly with Croatian Defense Minister Gojko Susak.

Krajina's Serbian authorities have so far refused to come to New York.

In his report, Butrus-Ghali reviewed three options for a renewed UNPROFOR mandate in Croatia.

The first would leave the current mandate unchanged, although Zagreb would insist on the following conditions: that the independent Serb forces in Krajina be disarmed, that all Croatian refugees return to their homes and that Croatian authorities be reinstated in the enclave.

Butrus-Ghali believes such terms should be addressed in peace negotiations between the warring parties.

A second option would strengthen UNPROFOR's military clout in order to enforce the Vance peace plan. Butrus-Ghali warned, however, that imposing the plan by force would endanger U.N. personnel currently deployed in the U.N. protection zones.

The third alternative would have UNPROFOR's mandate in Croatia terminated and the blue helmets' presence restricted, in former Yugoslavia, to Bosnia-Hercegovina and Macedonia.

The U.N. chief stressed that such a move would undoubtedly kindle widespread hostility in the area and defeat the international community's ongoing efforts to bring about a peaceful solution to the conflict in Krajina.

UN Demands Release of Ships Seized by FRY

AU1102103793 Bucharest ROMPRES in English 0905 GMT 11 Feb 93

[Text] New York ROMPRES, 11/2/1993—The UN Security Council requested the Yugoslav authorities in Belgrade to free without delay the Romanian ships held in custody on the Danube and termed this detention as an "act of retaliation" decided by the Federative Yugoslav Republic (Serbia and Montenegro) against Romania, which did not allow transit of Yugoslav ships on the Danube.

In a statement for the press made by the council's acting president Ahmed Snoussi (Morocco), the UN Security Council members welcomed the measures taken by Romania for the observance of the embargo instated against the Yugoslav Federative Republic.

Snoussi said it was totally unacceptable that the Yugoslav authorities should take measures of reprisal in retaliation to the action taken by a state observing its obligations as deriving from the United Nations Charter.

Berisha Meets Vatican's Ambassador Before Leaving

AU1102200493 Tirana ATA in English 0918 GMT 11 Feb 93

[Text] Tirana, February 11 (ATA)—On February 10 afternoon, Sali Berisha, president of the republic, met at his seat Diego Canzero, ex-deputy ambassador of the Vatican to Albania, on occasion of his transfer from Albania and had a warm and friendly talk with him. My Lord Diego Canzero is appointed by the Pope Giovanni Paul II archbishop and ambassador of the Holy See in Chad of Africa.

Selami Affirms Council of Europe Membership

AU1102200293 Tirana ATA in English 1120 GMT 11 Feb 93

[Text] Tirana, February 11 (ATA)—Eduard Selami, chairman of the Foreign Commission of the People's Assembly, in a statement during his visit in Strasbourg said that Albania meets the conditions to be a member of the Council of Europe.

Within this year, Mr. Selami said, Albania will be member of the Council of Europe, thus realising a permanent dream of the democratic and progressive forces and one of the ideals of the democratic movement of 1990's.

Albania's membership in the Council of Europe will be an affirmation of the Albanian democratic processes, a contribution to their rapid progressing and an important factor for peace and stability in the war-stricken Balkan region.

Deputies View Privatization Law, Arbnori Visit

AU1102202393 Tirana ATA in English 0911 GMT 11 Feb 93

[Text] Tirana, February 11 (ATA)—On February 10 before noon, the People's Assembly resumed its proceedings. At the beginning, the deputy chairman of the Presidency of the Assembly, Mr. Tomorr Malasi, invited the deputies to keep a minute of silence to pay homage to the memory of the deputy Petrit Llaftiu, who on February 10 last year laid down his life while he was on duty in Italy. He was gathering aid for Shijak zone, a duty both noble and humane.

Then, according to the agenda, the People's Assembly examined the supplement to the Law on the Privatization of State Houses, which is related to the problem of the Albanian refugees' houses.

Besides the proposal made upon the initiative of the Democratic Party deputy Arben Mece on this question, the government has also presented a special program on it. The Assembly's Presidency proposed that they be discussed in tomorrow's sitting of the Assembly. Today, these materials were examined in parliamentary groups and permanent commissions of the Assembly.

Then, the deputy of the Democratic Party parliamentary group, Gezim Luli, explained as follows: Proceeding from some distortions about the visit of the Albanian parliamentary group in Greece regarding some speculations by certain ill willing circles, as the newspaper KOHA JONE, etc., according to which the visit of this delegation headed by Mr. Arbnori has influenced in the return of the Albanian refugees from Greece, we deem it necessary to explain on behalf of the delegation members that:

In all the meetings, among which those with the speaker of the Greek parliament Caldaris, the Premier Mitsotakis, the Deputy Minister of Foreign Affairs Cuderu, were discussed the following demands regarding emigration:

Firstly, the economic refugees in Greece be legalized and be granted the status of the economic refugee. Secondly, the possibility of expanding this emigration, through seasonal employment in periods of campaign. Regarding these demands, they agreed that these things can be fixed in the agreements between the two countries and that they can be realised in the context of the treaty of friendship and cooperation being prepared by the two parties.

Kroqi Stresses Decline in Chromium Production

AU1102200393 Tirana ATA in English 1112 GMT 11 Feb 9

[Text] Tirana, February 11 (ATA)—In an interview with the newspaper RILINDJA DEMOKRATIKE, the vice minister of mining and energy resources industry, Franko Kroqi, stresses among others that the mines of chrome and copper and partly the coal ones are actually functioning on national scale.

It is a fact, the vice minister said, that the level of production in these mines has registered gradual reduction in the last years. About 420,000 tons of chrome mineral, and 70,000 tons of enriched chrome were produced on national scale during 1992. These figures are equal with about 60 percent of the production of 1991, while in 1986, 1 million and 200,000 tons of chrome were extracted.

Fortunately Albania is rich in minerals, he stressed, but so far we have not drawn enough profits from them. In the future chrome production will register higher levels. For the time being, the chrome mines can do with small investments, but for a higher level of production we are forced to ask for foreign investments and we are working in this direction. We hope that within the first quarter of this year, there will be some agreement reached with the firms which are for some time now negotiating with the Albanian chrome company.

The productive potential of the Albanian mines has called the attention of foreign investors. Seven foreign firms, such as African, Italian, German, and Austrian will present their offers within February for their investments in the chrome industry.

Greek Foreign Minister Arrives for Visit

AU1102185093 Sofia Khorizont Radio Network in Bulgarian 1730 GMT 11 Feb 93

[Text] A short while ago Greek Foreign Minister Mikhail Papakonstandinou arrived in Sofia on an official two-day visit, according to our reporter Biserka Grigorova. The Greek minister is accompanied by a large group of advisers and journalists.

At Sofia Airport the Greek foreign minister was not very willing to talk, and the Bulgarian reporters were left merely to hope that they would receive a statement.

It is expected that at the moment Minister Papakonstandinou is being received by President Zhelyu Zhelev.

Meets President Zhelev

AU1202085093 Sofia Khristo Botev Radio Network in Bulgarian 2030 GMT 11 Feb 93

[Text] This evening President of the Republic Zhelyu Zhelev received Greek Foreign Minister Mikhail Papakonstandinou. Our reporter says that officials accompanying the Greek minister, President Zhelev's advisers, and top officials of the Bulgarian Foreign Ministry took part in the talks, which lasted for about an hour and a quarter.

President Zhelev and I had a very pleasant conversation, and I established that he is a wide-ranging thinker, Mikhail Papakonstandinou commented after the meeting.

In his summary report of the meeting, presidential spokesman Valentin Stoyanov said that the two sides analyzed Bulgarian-Greek relations and, naturally, the situation in the Balkans. He said that Bulgaria and Greece share the categorical view that neither they nor other Balkan countries should intervene in the conflict in the former Yugoslavia. The common view was expressed that preconditions exist for developing Bulgarian-Greek relations even more dynamically. No major bilateral problems were found to exist. The differences are connected with the name of the Republic of Macedonia. On this issue, Greece is adopting a more flexible approach, awaiting the view of the UN Security Council on a proposal submitted by three West European states. After this, Greece will determine its own position.

Valentin Stoyanov said that during the talks it was confirmed that Bulgaria and Greece may serve as a example for developing bilateral relations, and not only in the Balkans.

Defense Minister 'Pleased' With Russia Visit

AU1102195093 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 11 Feb 93

[Text] I left a pessimist, but am returning rather pleased—these were the first words spoken by Defense Minister Valentin Aleksandrov when he returned this evening from his visit to Russia.

We reached unanimity on all tricky technical problems. The Russian side displayed readiness to investigate the issue of the blanks in the record from 9 September 1944 to the end of 1946, concerning the military-political relations between the two countries and the fate of the Bulgarian officers who disappeared in Russia.

Turkish Ground Forces Commander Views Visit

AU1102150393 Sofia BULGARSKA ARMIYA in Bulgarian 8 Feb 93 p 1, 3

[Interview with Army General Muhittin Fisunoglu, Turkish Ground Forces commander, by Lieutenant Colonel Vladi Vladkov in Bulgaria; date not given: ""I Take With Me Only Sincerity and Friendship""]

[Excerpts] Recently a Turkish military delegation led by Army General Muhittin Fisunoglu, Ground Forces commander, visited Bulgaria. The guests had an opportunity to meet the leadership of the Ministry of Defense and the Bulgarian Army General Staff, and visited the headquarters and units of the Ground Forces. A representative of BULGARSKA ARMIYA met Army General Fisunoglu prior to his departure and asked him about his impressions of the visit.

[Fisunoglu] Let me tell you the truth—from the very moment I stepped on Bulgaria soil I have encountered only sincere friendship and a wonderful attitude. I already knew the chief of your General Staff and I am grateful that he received me. However, during the visit I had an opportunity to meet your defense minister, Mr. Aleksandrov, and this was a great honor for me. With Lieutenant General Lyutskan Lyutskanov, commander of the Bulgarian Ground Forces, we frankly discussed many issues of the Ground Forces.

We visited a tank brigade, an Army training center, and a Ground Forces school. We attended tank firing exercises and I personally witnessed the excellent results. I noted with pleasure that you train your Ground Forces officers very well. [passage omitted]

[Vladkov] Let us discuss relations between our Armed Forces. How do you think they will develop in the future?

[Fisunoglu] Both sides have already laid the foundation for a sincere friendship. After meeting many Bulgarian Army commanders I believe this friendship will strengthen even further. I think that if the Sofia and Edirne documents were signed say 10 years ago, our relations could now be even more dynamic. However, we must strengthen friendship under all conditions. Let us turn our friendship into an eternal memorial.

[Vladkov] General, could we soon speak about Balkan cooperation in the military sphere?

[Fisunoglu] This is above all is a matter for the politicians. We, the military, are prepared to strengthen peace in the Balkans and assert friendship as a norm of relations.

I leave Bulgaria with best feelings. From here I take with me to Turkey only sincerity and friendship. My heart remains here.

Cabinet Discusses Foreign Debt, Other Issues

AU1102200093 Sofia BTA in English 1646 GMT 11 Feb 93

[Text] Sofia, February 11 (BTA)—Bulgaria's foreign debt settlement strategy was discussed behind closed doors at today's regular Council of Ministers' meeting, attended by National Bank Deputy Governor Emil Khursev. The government briefed Finance Minister Stoyan Aleksandrov, leaving for Washington on February 15 for the forthcoming negotiations with the IMF, said the spokesman for the government.

The Council of Ministers appointed Deputy Prime Minister and Transport Minister Neycho Neev to negotiate and sign an agreement for air services between Bulgaria and China.

The government approved Bulgaria's accession to the European Convention for Legal Assistance on Criminal Cases, the Convention on the Transfer of Convicted Persons, the European Convention on Extradition and the protocols to them, with certain reservations. The cabinet assigned Minister of Justice Misho Vulchev to sign the conventions and the protocols.

The government allowed the Greater Sofia Municipality to expropriate estates in order to attract foreign investment for the construction of Sofia's underground. The site will be Bulgaria's stake in a Bulgarian-Austrian partnership for the construction of a de luxe hotel with a business centre to it. Sofia Municipality will sign a contract with an Austrian consortium. The hotel will be built on the site in question, after which the consortium will invest in the construction of the underground in the city centre. The cabinet assigned Minister of Construction Khristo Totev to control the implementation of the project.

The establishment of a national centre for the protection of the environment, national parks and nature reserves is a high priority for the Ministry of the Environment, Minister Valentin Bosevski told the press today, after the Council of Ministers rejected his proposal for the setting up of the centre. The Forestry Committee and the Bulgarian Tourist Union are opposed to his idea. Mr. Bosevski is apprehensive that environmental problems may arise after some of the protected areas are returned to their owners. The cabinet decided to set up an interagency committee of representatives of state institutions connected with the environmental policy, which will go into Mr. Bosevski's proposal.

Industry Minister Hopes To Privatize More Firms

AU1102195593 Sofia BTA in English 1724 GMT 11 Feb 93

[Text] Sofia, February 11 (BTA)—The Ministry of Industry will propose for privatization this year 80 to 100 companies whose fixed assets do not exceed 10 million leva. Under the Privatization Act, companies whose assets exceed that amount are privatized by the Privatization Agency. The major problem in the preparation of companies for privatization is to determine and prove ownership, Industry Minister Rumen Bikov told a news conference today. The companies have almost no entitlements for the assets or the land on which they are built. Only 70 out of 200 companies have any document at all, which is a serious obstacle to privatization, besides the inadequate regulations and the obstacles posed by certain clauses in the Restitution Act.

150 companies subordinated to the Industry Ministry are in liquidation. They have not been paying their debts for several months and their employees have been laid off, which creates financial and social tensions. Since there is no liquidation act, the Ministry of Industry has drawn up an ordinance under which the companies will be put into liquidation. The ordinance will raise a barrier to illegal liquidation.

Out of 2,600 enterprises subordinated to the Ministry of Industry, 140 have not been transformed into commercial partnerships yet. In 1992 the bad debts of 118 state-owned companies were written off. The 1992 budget act allocated 5,000 million leva for the purpose.

Banks will sign agreements with the ministry for assistance aimed to improve the companies' financial health. Three-year development programmes which must be fulfilled by the companies accompany the agreements.

Decommunization of Science Act Ruled Valid

AU1102200993 Sofia BTA in English 1443 GMT 11 Feb 93

[Text] Sofia, February 11 (BTA)—The Constitutional Court today ruled "the Panev act" on the decommunization of science constitutional, the chairman of the court Asen Manov told the press. It thus dismissed an appeal against the act by President Zhelev and 102 MP's [members of parliament].

The "Panev act," so named after an MP of the Union of Democratic Forces who entered it in parliament, was voted late last year. After being published in the "Official Gazette" and coming into effect, it sparked dissenting opinions among scientists and later the president and 102 MP's of the Bulgarian Socialist Party appealed to the Constitutional Court.

Under the Constitutional Court's ruling, persons who had been connected with the supreme structures of the former Bulgarian Communist Party and security services

cannot hold managerial offices at scientific establishments, such as chiefs of departments, deans, rectors, and chief editors of science magazines.

Former Premier, Ministers Criticize Berov Cabinet

AU1102202593 Sofia BTA in English 1916 GMT 11 Feb 93

[Text] Sofia, February 11 (BTA)—Former Prime Minister Filip Dimitrov and ministers of the cabinet of the Union of Democratic Forces (SDS), which held office in 1992, say they worry about the first steps of the incumbent cabinet led by non-partisan economist Lyuben Berov.

At a special news briefing today, Mr. Dimitrov, leader of the Union of Democratic Forces, the only force in parliament that opposed the election of Prof. Berov's cabinet, described as "a dangerous idea" the conclusion in the cabinet's programme that developments in the last couple of years are shaping the macroeconomic situation in this country. According to Mr. Dimitrov, this view ignores the legacy of the 45 years of communist mismanagement.

According to Mr. Dimitrov, one of the greatest achievements of the SDS government was the financial stabilization. For this reason, members of the former cabinet are worried by statements by new ministers that the budget deficit may be increased.

"We are alarmed by views that Bulgaria may afford not to comply with requirements of the international financial institutions," Mr. Dimitrov said.

In turn, former Finance Minister Ivan Kostov said that according to preliminary data, inflation in January hit 6 percent, outrunning the average monthly level in 1992 (the Berov cabinet took office in late 1992).

Mr. Kostov criticized the current government's financial programme, saying it was, on the one hand, restrictive, and on the other, too indefinite. The projected budget deficit of between 6 and 8 per cent of the GDP [gross domestic product] is a too indefinite figure, as, measured in leva, this would mean between 20,000 and 30,000 million leva in deficits, or a margin of 10,000 million leva, Mr. Kostov said.

Countering charges that the SDS cabinet conducted an antisocial policy, causing real-terms incomes to fall, Mr. Kostov quoted data of the National Statistical Institute, which shows that savings rose 16 percent over last year.

National Assembly Debates Bills, Balkans

AU1102194793 Sofia Khristo Botev Radio Network in Bulgarian 1830 GMT 11 Feb 93

[Excerpts] [Passage omitted] Today parliament completed the first reading of two taxation bills: on taxation administration and taxation proceedings. It was proposed to combine the two bills into a single act and to form a working group to work on the special problems of taxation legislation. Parliament then began the first reading of a bill on taxation of goods and services. A proposal was made to change the name to: Law on Value-Added Tax. [passage omitted]

The parliamentary group of the DPS [Rights and Freedoms Movement] distributed in parliament today a new version of their declaration on the conflict in the former Yugoslavia and the situation in the Balkans, which is addressed to the United Nations, the EC, and the Council of Europe Parliamentary Assembly. In addition to DPS representatives, members of the Alliance for Social Democracy [faction within the Bulgarian Socialist Party], of the B-12 group [dissident SDS members supporting Ludzhev], and of the United Christian Democratic Center have also appended their signatures to the declaration.

The National Assembly Chairman's Office has received a letter from Chief Prosecutor Ivan Tatarchev, which states that Aleksandur Lilov will be detained at the border if he is included in the parliamentary delegation that is leaving for Greece.

DPS Official Views Ties With Other Parties

AU1102115693 Sofia PRAVA I SVOBODI in Bulgarian 5 Feb 93 pp 1, 3

[Interview with Osman Oktay, responsible secretary of Movement for Rights and Freedoms (DPS), by Mehmed Khodzhov in Razgrad; date not given: "With Responsible Attitude to National Interests"]

[Excerpts] [Khodzhov] Mr. Oktay, why are you in Razgrad?

[Oktay] I am here at the invitation of the okrug leadership of the Movement for Rights and Freedoms [DPS] and the personal invitation of my colleague, Ziya Dishli, to visit Razgrad and hold business meetings with leaders of major enterprises in Razgrad. These have already taken place. [passage omitted]

[Khodzhov] How do you view the claim that a new parliamentary majority has been created?

[Oktay] It is a very complex issue. I would not say there is a new parliamentary majority or a new parliamentary space. We would have sought a new majority and parliamentary space only if there were no processes under way within the Union of Democratic Forces [SDS]. However, at present things there are undergoing changes and we hope that soon the possibility will be created for the emergence of a parliamentary majority....

[Khodzhov] With the participation of the DPS and SDS?

[Oktay] Precisely. I dare say that since April 1992 there has actually been no parliamentary majority in the National Assembly. There was an ad hoc majority—

when a certain issue affected the SDS and the DPS, then we were a majority. However, when an issue affected the parliamentary faction of the Bulgarian Socialist Party [BSP] and our faction, the voting produced another parliamentary majority. These were not majorities with a permanent character. Therefore, I categorically emphasize that, for obvious reasons, there has been no parliamentary majority since April 1992.

[Khodzhov] One of the forecasts after Aleksandur Lilov was stripped of his parliamentary immunity was that a gap would open between the DPS and the BSP [Bulgarian Socialist Party]. Is that true?

[Oktay] I could assume that this was one of the objectives behind the chief prosecutor's demand. The issue was posed because of a clear political objective and I would not like to comment on it. Nevertheless, it had a certain effect on the life of the political forces. [passage omitted]

[Khodzhov] In recent months certain forces have obviously been trying to eliminate the political "monopoly" of the DPS—I mean the Turkish Democratic Party and the Muslim Party of Justice. Why do you think these parties emerged?

[Oktay] As a member of the DPS supreme political leadership and responsible secretary of the DPS Central Council I should not answer this but, nevertheless, I will say something. During the last three years there were always attempts to split the DPS. I do not think the conditions were appropriate for such a split, or and that such conditions will emerge in the future. Certain people took advantage of the fact that certain circles within the leadership of the SDS National Coordinating Council have tried to suggest to the public, and especially to our voters, that the DPS leadership is a negative factor in the movement, while everything else is positive. In this context people whom we know well, and who were left outside political life for various reasons, would probably try to exploit the situation that emerged, hoping that there really will be a controversy between the DPS supreme leadership and the mass of members. I am sure our voters understand this very well. In the life of every political organization there are historical moments, when something much more important takes the upper hand over narrow party interests. I think that with its behavior and tolerance the DPS leadership proved that we really are concerned with Bulgaria's future. Whenever the situation requires, we are prepared to represent the interests of all voters in Bulgaria and all Bulgarian people. All those who try to benefit from this are making a mistake.

Labor Union Head Cites Need To Reorganize SDS

AU1102142393 Sofia PODKREPA in Bulgarian 8 Feb 93 pp 1, 3

[interview with Dr. Konstantin Trenchev, Podkrepa Labor Confederation president, by Angel Kolev; place and date not given; "Dr. Konstantin Trenchev: One Can Do Much for Oneself, but if People Unite They Could Do More"]

[Excerpts] [Passage omitted] [Kolev] You are one of the founders of the Union of Democratic forces [SDS]. Podkrepa took part in drawing up the SDS program. However, it appears that the SDS is a seismic area of our public life. Do you think the SDS fulfilled the mission for which it was created?

[Trenchev] The SDS did not fulfill the mission for which it was created. The blue [SDS color] idea was this mission. The implementation of the blue idea required changes in the principles upon which the Bulgarian state functions. For 45 years this state was compelled to function on the basis of communist principles, which infiltrated all spheres of our life. The task of the SDS was to eradicate those principles and exchange them for others, which long existed in other countries. The failure was a result of the SDS structure, which should have been reformed after the first elections. It is not the SDS idea, which is supported by millions of people, that should change but the SDS structure, which exhausted itself a long time ago. That is because the formula according to which the SDS was created was imposed by the past, when the organizations were small to avoid the hazard of being discovered by State Security. Later, when the number of members and sympathizers grew like an avalanche, the SDS structure should have been amended. [passage omitted]

[Kolev] Has the SDS been institutionalized? Could it return to the political scene as the leading political force and thus implement its mission?

[Trenchev] I continue to maintain that the SDS is not an institution precisely because it does not have a clear structure. This allows for effecting initiatives on the basis of individual decisions. Furthermore, today in the SDS it is unclear who should adopt decisions or at what level the decisions should be adopted. If a political organization claims to be an institution, its decisionmaking process must be clear. If the SDS does not grasp the simple truth about the need for a more homogeneous structure, this will become an insurmountable obstacle and it will not be able to fulfill its mission. It must be remembered that the people do not view the SDS so much as a coalition of organizations, but as a symbol of the change from communism to democracy. [passage omitted]

Clinton Sends Congratulations to Havel

LD1102215193 Prague CTK in English 2011 GMT 11 Feb 93

[Text] Prague, Feb 11 (CTK)—In a telegram released to CTK by the Czech president's office today, United States President Bill Clinton congratulates Vaclav Havel on his election last month and hopes that the former Czechoslovak president will help lead a Czech Republic to prosperity in cooperation with other regional leaders.

In his telegram, Clinton stated that Czechoslovakia and the United States had developed strong ties during Havel's term as Czechoslovak president. He emphasised that he valued this friendship and would continue to advocate support for the continuing economic and political development of the Czech Republic.

To date, more than thirty world leaders have sent congratulatory messages to the new Czech president, including Pope John Paul II, the Czech president's office told CTK.

Former United States Presidents George Bush and Ronald Reagan also sent Havel their congratulations.

Government Will Not Negotiate With Sudeten Germans

LD1102135093 Prague CTK in English 1316 GMT 11 Feb 93

[Text] Prague, Feb 11 (CTK)—Czech Foreign Minister Josef Zieleniec said today he thinks negotiations with Sudeten German organisations should not be held by the Czech Government, but by Czech regions or associations. It would be a mistake to direct the Czech Republic's policy towards Germany through the Sudeten German problem, Zieleniec said at a session of the Czech parliament Chamber of Deputies Foreign Relations Committee.

He said that the Czech Government's talks with Sudeten German representatives would cause the Czech Republic's relation towards Germany to be concentrated on the Sudeten German issue. Under the 1938 Munich Agreement, Czechoslovakia had to cede regions bordering on Austria and Germany and inhabited by a strong German minority—the Sudetenland—to Germany. After the war, 2.5 million Sudeten Germans were transferred from Czechoslovakia and their property was confiscated under the 1945 decrees of then Czechoslovak President Edvard Benes.

Zieleniec said the bitter part of Czech-German relations should be dissolved in positive cooperation. He pointed out that Germany does not plan to give individual redress to those Czech citizens who were persecuted by the Nazi regime during World War II, offering instead its financial participation in an extensive charitable project.

Zieleniec also told members of the committee that the admission of the Czech Republic into the Council of Europe should not be any problem and can be expected in the first half of May.

Minister Outlines Country's Foreign Policy

LD1102144293 Prague Radiozurnal Radio Network in Czech 1100 GMT 11 Feb 93

[Excerpt] Foreign Minister Josef Zieleniec briefed deputies from the Czech Assembly's foreign committee today about the Czech republic's foreign policy concept for the immediate period. Katerina Kasparova is on the line with details:

[Kasparova] According to Josef Zieleniec, the Foreign Ministry's is currently very intensive. A revision of the treaties concluded under the federation is being carried out. Because the process of the inclusion of the Czech Republic into the international relations system is under way, it is necessary to clearly define our position.

The minister said that our membership in the Council of Europe is an important interest of the Czech Republic. Our admission to the Council of Europe is the first test of the democratic nature of those states interested in being integrated into Europe.

One of the key problems of Czech foreign policy is the solution of the Sudeten German issue and compensation for war victims in general, he said. Minister Zieleniec emphasized that the only way to solve the Sudeten German problem is by establishing our attitude to Germany as a whole. If this problem stands in the way, we could not conducting a good policy toward our biggest neighbor, he said.

The minister went on to recall his conversation with German counterpart Klaus Kinkel on Friday [5 February]. Kinkel rejected the suggestion that war victims should be compensated right across the board. At the same time, however, Germany is willing to take part in the plan, which would make it possible to carry out this compensation though charity channels, he said.

The question of our ambassadors abroad was also discussed at the foreign committee session today. Deputies were interested in getting to know the candidates to these posts. Minister Zieleniec promised to organize it.

I was able to find out that the foreign committee members have decided to invite President Vaclav Havel to their session, so that they can discuss his ideas about the Czech Republic's foreign policy with him. But so far they have not learned whether their wish will be heeded. [passage omitted]

Klaus To Inform Havel of Session Results

AU1102201593 Prague CTK in English 2318 GMT 9 Feb 93

[Text] Prague, Feb 9 (CTK)—The Czech premier will inform the president of the Republic immediately after government sessions of their results, the chairmen of the Czech Government coalition parties agreed at their meeting with President Vaclav Havel tonight.

Informing journalists of the meeting, Czech Premier Vaclav Klaus, chairman of the Civic Democratic Party (ODS), said that this is an absolute novelty in relations between the government and the president.

He added that under today's agreement, meetings of the president with government coalition representatives should be held at least once a month.

If the premier uses his right to cosign some decisions taken by the president, it will be a matter of the inner mechanism of the government, Klaus said.

On the other hand, the coalition considers it the exclusive right of the president to decide about filling the posts in the Presidential Office, said chairman of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL) Josef Lux.

Meeting with Havel tonight besides Klaus and Lux were also Vaclav Benda, chairman of the Christian Democratic Party (KDS), and Jan Kalvoda, chairman of the Civic Democratic Alliance (ODA).

Klaus Assesses Current Economic Problems

AU1102122293 Prague MLADA FRONTA DNES in Czech 9 Feb 93 p 7

[Interview with Prime Minister Vaclav Klaus by Jiri Leschtina; place and date not given: "I Do Not Believe in the Collapse of the Slovak Economy"]

[Text] [Leschtina] Only a few days after the division of Czechoslovakia, you expressed hope that we would have more time for normal work and a routine functioning of the government. Can we actually expect a normal policy from a state that is just one month old?

[Klaus] If I said so, then I was mistaken. I thought that we would be able to get rid of some of the problems connected with this unfortunate constitutional setup of the state and its division. As you can see, even this is not over. The currency split and problems connected to payments are the stumbling blocks in our way. To remove these blocks, we will require a great deal of power and time. All this must to be done in a situation in which solve general problems connected with the daily functioning of the Czech state are solved.

[Leschtina] Have you established some sort of plan, according to what you want to do now and what later?

[Klaus] I have a list of problems on my desk—the priorities are marked in red pencil. Reality, however, often wreaks havoc with this plan. I scheduled three meetings with the economic ministers. Each one of them were to deal with one problem. After [the meeting on] the Temelin [nuclear power plant], it was privatization, financing of health care, and, at the beginning of February, bankruptcies. The currency split, however, is the reason that I have been unable to fulfill this plan. Nevertheless, I consider these three items to be of the utmost importance.

[Leschtina] There are, however, less "bombastic" problems. In academic workplaces, top scientists are being laid off, and there is no money to transfer them to universities. Are you concerned with the fate of Czech science?

[Klaus] Very much so. I worked for the Academy of Sciences for a long time. The Czech Academy of Sciences, however, is a residue of the communist regime. Its problems are virtually similar to those of mammoth industrial giants, which we do not know what to do with and are now searching for complicated ways to transform them. After the academy's budget was cut, this giant and branched institution began to sulk. They refer to the fact that some workplaces have been abolished, and say: Look at the bad situation we are in. Instead of this unfair behavior, the academy should draft a clear and feasible project for its own transformation.

[Leschtina] How far should the conservative government go in this type of problem?

[Klaus] The government administers the state budget and allocates money for science. It should have a say in this problem. For example, the transformation of the academy requires, apart from the participation of the Czech Academy of Science, cooperation from the Czech Republic Government Council for Scientific Activity, and the approval of the applicable committee in parliament. It is understood as an antiquated attitude that if one says that the government should interfere in such problems, then we have parliament and various independent councils and institutions for that. According to this idea, the government should become a handful of unimportant clerks. The Czech Republic Council for Television and Radio broadcast is a nice example of that. Its chief is independent of any minister and is deprived of the opportunity—an opportunity that all ministers have—of being exposed to the enriching process that the cabinet members must undergo during every government meeting.

[Leschtina] You yourself were one of the politicians who revolted against the almightiness of the state and government.

[Klaus] This is something different. The almightiness of the state is pernicious if the government interferes in the life of each and every individual, each entity in the political, social, cultural, religious, economic, scientific, and similar spheres. The state has never been and will

never be able to do it. History has sufficiently proven this. Presently, however, along with the state administration, another bureaucratic administration is being established. This administration interferes in the life of individual entities, but being separated from the standard state administration, becomes quite independent. This is not a state-versus- individual problem. Here, the unified state administration is being dismantled and its efficiency obstructed.

[Leschtina] In Davos last week, you said that the Czech Republic is the only country in which the leaders of economic reform won the elections. What about the other side of the coin—that is, the fact that the social impact of reform will fall in its final stage on the head of its creators?

[Klaus] The consequences of social tension will always fall on the heads of the reform creators, regardless of whether they are members of the government of not. If politicians whose names are closely connected with the principal process of reform and transformation have won the elections, then I must understand it is a green light for reform—despite the first experience with the social impact of reform.

[Leschtina] However, people will not be patient forever. Are you going to increase social tension in gradual steps?

[Klaus] In Davos, I delivered a speech to the session titled Economic Transformation and Social Restructuring. My opening sentence stated that we should rename the session: Economic Transformation and Its Impact. The first heading creates an illusion that two parallel processes are involved here, an illusion that one can be done to the detriment of the other—once we can pull on the wire of economic reform, then on the social sphere, etc. I absolutely reject such an idea. Economic transformation must be carried out. Understandably, this will cost us something and bring some consequences. It is an illusory idea that it would be possible to plan the social impact and organize the whole matter somehow in advance. This is unrealistic, and so is the idea that this impact could be postponed or allowed to appear in gradual steps. Social tension is simply a logical and inevitable phenomenon that accompanies economic transformation. We must ease this tension, and provide trustworthy, political evidence that there is no other way.

[Leschtina] The opposition usually comes up with the statement that great social tension is avoidable as a consequence of bad government policy. What would you say to that?

[Klaus] I am going to defend the government's policy, not by making general statements, but by giving specific facts and figures. I recently received the first estimates of economic development from the previous year. According to the data, in no uncertain terms, the gross domestic product declined 6.7 percent against 1991. Two months ago, it seemed that this figure would be 8 percent. When discussing the budget, I figured the decline would be 5 percent. If we take into consideration the many uncertainties linked to the division of the state, then 6.7 percent is an ingenious hit. When I spoke about the economic bottom in February last year, I spoke in quite a low voice since I did not want this to be understood as an election trick. Today, I cannot do anything else but repeat last year's statement out loud.

[Leschtina] Do you think it is normal that Slovakia was the only one of our neighbors that did not send its head of state to Havel's inauguration—Mr. Meciar, in this case?

[Klaus] If we were in a normal situation, then your question would not be a standard one. For example, if on the day of the inauguration there was a key meeting of the Austrian parliament on the ban on the immigration of foreigners into Europe, for example, in which the participation of the prime minister and the chairman of parliament would be indispensable, and if Austria did not have a president, then we would accept the absence of the Austrian prime minister without great speculations in the press. On inauguration day, the Slovak parliament debated the currency split at a closed-door meeting. Maybe there are some personal antipathies implied in your question, but I hate dramatizing it too much.

[Leschtina] Has Mr. Meciar asked you for a loan for Slovakia?

[Klaus] We have not spoken about a loan

[Leschtina] Does that mean that press speculations on the Czech loan to Slovakia are unfounded?

[Klaus] In everyday meetings involving financiers and bankers—that is, not myself and Prime Minister Meciar—they speak about credit margin, for example. This is a prerequisite for a smooth functioning of the clearing system of payments between the Czech Republic and Slovakia. Within the framework of clearing mechanisms, payments for goods and services may increase on the account of one partner or the other. In trade relations, the so-called credit margin is used to compensate for this imbalance—that is, when the balance is better for one of the partners. Mr. Meciar did not ask me about this credit; the credit margin has always been a part of the clearing system. Another subject of discussion between financiers is the disharmony between assets and liabilities, which cannot be divided, in the one to two ratio, as if it were some 24 automobiles [reference to the division of federal property]. The sum involved represents 23 billion [currency not given], which the Slovak banks borrowed from the former Czechoslovak State Bank. For this sum, the Slovak National Bank will issue obligations payable to the Czech National Bank for a term of 10 years. The public should realize that this is a sum owed to us, and not a loan to Mr. Meciar. There also are assets and liabilities with various life spans that involve Czech and Slovak enterprises. These assets and liabilities have been developing for years. If we drew a clear line, then it would become obvious that Czech enterprises have more claims in Slovakia than Slovak enterprises in the Czech

Republic. Here, again, Prime Minister Klaus has loaned nothing to Prime Minister Meciar, but, for example, the "XY" West Bohemian company granted a six-month credit to the "YZ" East Slovakia plant.

[Leschtina] How great, do you believe, is the danger of the collapse of the Slovak economy, thereby resulting in Czech claims being uncollected?

[Klaus] I do not believe in a total collapse of the Slovak economy. The economy has not collapsed even in the countries of the former Soviet Union, the economies of which are still waiting for any kind of economic reform and are marked by a completely irrational, industrial structure and a running superinflation. Slovakia has undergone the same basic reform measures as the Czech economy. I do not expect an economic policy in Slovakia that is so unreasonable that it would lead to a complete collapse. After all, even German Bundesbank representatives let me know in Davos quite clearly that there is no chance of them contributing to the postcurrency division stabilization in the Czech lands without matching the participation of German capital in Slovakia.

[Leschtina] Opinions have been voiced that a time of great corruption scandals, particularly in the sphere of privatization, is fast approaching. Can it at all be prevented that in this gruender time, [preceding word in German, period of rapid development] the deputies—particularly those from the strongest party—succumb to the temptation and discredit the government?

[Klaus] This must be the gruender time, but not the season for corruption scandals. No major corruption scandal took place here, and if there was one looming, it certainly would become a trophy of the free press. Nonetheless, in the gruender process of mass privatization, we must accept that not everything is as painstakingly clean as we would like to have it. I have been accused of tolerating dirty money. The opposite is true—I do mind it. At the same time, however, I insist that any radical attempt of the complete elimination of dirty money would also destroy the clean money. Only if not one, or two, but numerous corruption scandals erupt, it would be necessary to ponder whether the scales have tipped against law and order.

[Leschtina] It seems that your most difficult task will be to maintain the cohesion of the coalition. Is the situation really so tense, as one would deduce from some Civic Democratic Alliance statements, and most recently, from those by the Christian and Democratic Union-Czechoslovak People's Party?

[Klaus] I do not feel any dramatic tension in the government debates. Only after the chairmen of some of the coalition parties make statements at the party news conferences do I find—to my surprise—that this or that deputy prime minister holds a different opinion regarding the clearing credit, for instance. When Civic Democratic Party ministers submit and promote their bills, they do so exclusively at the cabinet session and government news conference. Two of our coalition partners, however, send their ministers to a party news conference where the cabinet member introduces his proposal as a party idea, and only subsequently brings it up at the cabinet session. I would consider it just as unfair if I said at a Civic Democratic Party briefing that the entire weight of the currency division and payments treaty is sustained by the Civic Democratic Party and the smooth running of the currency operation is a fantastic victory of that party.

[Leschtina] Imagine yourself, however, to be the chairman of a small coalition party that does not have a majority in the government, but wants to be heard and seen next to the dominant election victor. What would you do?

[Klaus] May I just point out that I was in the minority position in the previous two cabinets. In such a position, I would do my best to devise a good privatization policy, suitable agricultural or environmental laws, and use all my power to push them through in the cabinet. I would certainly not think that this is an appropriate time for an election campaign.

[Leschtina] I have heard two predictions regarding your future: either the government will overcome the almost insoluble problems and Vaclav Klaus will rule here forever, or the problems will topple the government and Klaus will lose the trust and fall. Which would you rather believe?

[Klaus] These are two completely unnecessary extremes. If, however, the coalition does survive the strifes in good health, then I would tend to believe the first alternative. Nevertheless, I would put a limit on the length of the government.

IMF Extends Preventive Credit Line to Republic

AU1102201693 Prague CTK in English 2203 GMT 9 Feb 93

[Text] Prague, Feb 9 (CTK)—The International Monetary Fund (IMF) has extended a preventive credit line to the Czech Republic, according to a Czech Government official who today quoted Gerard Belanger, head of the IMF mission in the Czech Republic, at a meeting with Czech Premier Vaclav Klaus.

The credit amount is set at 30 percent of the Czech Republic's share in the IMF, that is about 240 million USD [U.S. dollars]. The credit is to be recommended shortly without undergoing the usual approving procedures.

This type of credit means an agreement between a financial institution and a customer, by which the institution agrees to give a loan for a certain period, with the amount of the finances offered being restricted by the previously set nominal limit. The loan applicant can borrow as much as he needs and only pays interest on the

amount borrowed. The financial institution can cancel the agreement if its conditions for use of the credits are not met.

The official said that the IMF offer has been made to support the newly-born Czech currency and to strengthen the Czech Republic's credibility in international capital markets.

General Staff Officer Outlines New Army Concept

AU1102171293 Prague CESKY DENIK in Czech 11 Feb 93 p 1

[Interview with Lieutenant Colonel Petr Luzny of the Czech Army General Staff by Tomas Suchomel; place and date not given: "The Number of Senior Officers Is Untenable"]

[Text] In mid-January a commission was established within the Czech Army General Staff to draw up a concept for the Army. The commission is continuing the work started last year by a study group. It is headed by Lieutenant Colonel Petr Luzny.

[Suchomel] Of what does the concept for the Czech Army consist?

[Luzny] It consists of comprehensive material on forming an army capable of dealing with possible threats and conforming to our state's economic potential. The concept contains everything—from the budget and infrastructure to logistics and the management and command system all the way up to modernization and a new organizational structure for the Defense Ministry and General Staff. It also contains a timetable for transforming the Armed Forces up to the year 1997 when the Army should have approximately 65,000 personnel. After it is discussed by the government and parliament, the new concept should start being implemented as of July 1993.

[Suchomel] What changes can we expect this year?

[Luzny] During the first year of transformation, basic service should be reduced to 12 months. We also want to transform the first division into a brigade and begin professionalization with it. Of course, its success will depend on creating conditions for attracting young people into the Army.

[Suchomel] Will the system of civilian service be changed?

[Luzny] It will be impossible to fulfill the legal requirements—age, qualifications, experience (for example, for stokers or for some of the drivers)—in certain Army functions due to the reduction in the length of basic service. It is wrong to think that, right at the beginning, we would find civilian staff to do these jobs instead of soldiers in basic service. Therefore, we are considering the possibility of using people who refuse to serve with weapons—that is, those who want to carry out alternative civilian service—for these jobs. In their case, we reckon that civilian service will eventually be reduced to the length of basic military service (that is, to one year).

[Suchomel] What will be the procedure for professionalizing the Czech Army?

[Luzny] Our society is suffering from the illusion that the magic word professionalization will solve everything. Nevertheless, the number of approximately 40,000 career soldiers represents a decent level of army professionalization. The problem is that its structure does not correspond to this situation. Because of poor cadre work in the past and the departure of thousands of young officers, senior officers account for some 40 percent of all professional soldiers. Such a number is untenable today, let alone in the future. The aim of professionalization is to fill the lower command posts and to change the structure of the professional part of the Army in favor of the noncommissioned officers, the warrant officers, and the junior officers.

[Suchomel] You are a graduate of the U.S. ground forces' staff college. Which of your U.S. experiences will be applied in our country?

[Luzny] Students in the United States learn—among other things—how to formulate and apply strategy, they study the ties between the Army and the state in a democratic society, the system of civilian management and supervision of the armed forces, and running the Army in a democratic spirit. Army activity in our country should also be perceived as a service for a customer, who—in this case—is society.

HZDS' Kovac To Be Nonpartisan if Elected

LD1102123393 Prague CTK in English 1144 GMT 11 Feb 93

[Text] Bratislava, Feb 11 (CTK)—Michal Kovac, from the ruling Movement for a Democratic Slovakia (HZDS), the only presidential candidate for the second round of voting, said today that, if elected, he will be freed from all the obligations as a HZDS member. He said he will be nonpartisan both in his thinking and acting.

In an interview with the Slovak regional daily LUC, the former chairman of the now defunct Czechoslovak parliament further said that he had never stated he would not withdraw from the HZDS under any circumstances. However, in an interview with CTK January 28 Kovac stated that he would not leave the HZDS, if elected Slovak president. He then expressed the view that being a nonpartisan does not depend on whether or not one is a member of some party.

Referring to the current situation in the Slovak Republic, Kovac told the daily that the voters who are discontented with the government's current policy had evidently not listened carefully enough when we were speaking of a further worsening of the economic situation to be expected in 1993.

On the current situation in Kosice, East Slovakia, where an opposition member has been recently elected the mayor, Kovac said that the city has its own specific features ensuing from its multi-national population. As far as I know, a serious sociological analysis of Kosice is missing to show many things in the right light, he added.

Slovak Conservative Democratic Movement Formed

LD1002182293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 10 Feb 93

[Excerpts] Since 6 February 1993, a new right-wing party of conservative democrats has emerged on the Slovak political scene. It subscribes to the theses of the European Democratic Union. [passage omitted] The presidium of the Slovak Conservative Democratic Movement [slovenske konzervativne demokraticke hnutie, SKDH] gave its first news conference today. Anna Samelova reports.

[Samelova] The Conservative Democrats launched their activity on the Slovak political scene with a bang. They have been maintaining that without a doubt the situation in Slovakia is unconstitutional. [passage omitted] They have argued that the Slovak Constitution, civic law, trade law, and even the penal law have not yet been published in full in the digest of laws and are therefore not in force. [passage omitted]

[Begin recording] If you do propose that the laws be amended, which of the parliamentary parties would you be prepared to turn to?

[Party Chairman Pavol (?Hagyary)] We clearly are a right-wing party. That means the Christian Democratic Movement and other right-wing parties should become our closest partners. We have held informal talks with the Christian Democrats and come to a preliminary agreement on how to proceed when preparing draft law amendments. Our drafts would thus be able to get into the parliament. [passage omitted] We want to offer a right-wing solution and aim to become a strong party to the right of the spectrum. [end recording]

Private Sector Participation in Economy Rises

LD1002154393 Prague CTK in English 1422 GMT 10 Feb 93

[Text] Bratislava, Feb 10 (CTK)—The most significant aspect of the Slovak economy in the last year was perhaps a higher share of the private sector, which increased to 21 per cent, says a report released today by the Slovak Statistical Office.

During 1992 general consumer prices in Slovakia rose by 3.2 per cent, of which foodstuffs by 2.4 per cent, nonperishable goods by 2.4 per cent, public catering by 6 per cent and services by 6.2 per cent. Inflation rate has showed a 9.1 per cent jump last year. In the first 11 months of the year a nominal wage increase averaged 13.5 per cent while real wages increased by 2.3 per cent according to preliminary figures. An average monthly nominal wage in the state sector amounted to 4,900 crowns (180 USD [U.S. dollars]) while in the private sector it was 7,000 crowns (255 USD).

The number of Slovaks registered for unemployment benefits declined. In the last quarter of the year has however, an accelerated price growth and a higher pace of inflation and cost of living were noted. Slovak construction and retail industries have experienced growth in 1992, along with exports of industrial goods. On the other hand, industrial output was down accompanied by a decline in transport activities and in sales of a majority of animal food products.

Bank Exchange Rates Vary for Czech Korunas

AU1102201193 Prague CTK in English 2225 GMT 9 Feb 93

[Text] Bratislava, Feb 9 (CTK)—Czech tourists in Slovakia are paying a variety of prices for Slovak crowns according to the rates set by individual banks, Slovak Television reported today.

The differences between the buying and selling price for Slovak crowns, however, consistently average out to a 1:1 exchange rate between the Czech (KC) and Slovak (SK) crowns.

The Vseobecna Uverova Banka is selling 98 SK for 100 KC but buying back 102 SK for the same 100 KC. The Lidova Banka is selling 80 SK and buying 120 SK for 100 KC. The Investicni Banka is buying 95 SK and selling 105 SK for 100 KC. The Ceskoslovenska Obchodni Banka is offering the most advantageous rates, selling 99 SK and buying 101 SK for 100 KC. Slovak Television pointed out that these rates apply to tourists only, and that businesses are presently exchanging Czech and Slovak crowns at 1:1.

Officials React to Yugoslav Military Threats

AU1202122593 Budapest MAGYAR HIRLAP in Hungarian 8 Feb 93 pp 1, 2

[Report by "M.Cs." and "Sz.H.": "The Threat of the Yugoslav Military Leaders Is Addressed to the Public at Large—We Cannot Exclude the Possibility of Border Incidents"]

[Text] Bozidar Stevanovic, the commander of the Yugoslav Air Force and Air Defense, warned countries that allowed their territory and airspace to be used for possible aggression that Belgrade would also regard these countries as aggressors. "I do not advise anyone to find out the hard way about the range and effectiveness of our defensive and offensive systems," Bozidar Stevanovic said.

"I will not comment on something that is speculation regarding the future," said [Foreign Minister] Geza Jeszenszky in answer to a MAGYAR HIRLAP question about Stevanovic's statements. According to other sources close to the government, the statements made by Stevanovic and Panic are threats meant for the general public. However, "if these threats become serious, we will examine the type of defenses we have against such threats; the Hungarian Government will not render the country defenseless in any way," circles close to the government pointed out.

According to a military expert, Hungary is clearly among the countries that, according to Stevanovic, "would allow the use of their territory, airspace, or territorial waters for possible aggression," or provide assistance to the UN peacekeeping forces.

However, in spite of all this, we must hardly fear any serious threat coming from the Yugoslav Army. The general's statement is merely a warning, retired colonel Imre Orszag, former Hungarian military attache in Yugoslavia, told MAGYAR HIRLAP.

Imre Orszag rules out the possibility of rump Yugoslavia starting a total war against any of its neighbors or attacking the Western power's navy patrolling in the Adriatic or the Mediterranian.

This is highly unlikely partly because the Serbs have enough problems as it is, and partly because the international reaction would be so strong in such a case that it could easily lead to an international military response. According to Imre Orszag, this would be an air blockade and the deployment of the air force at the most. U.S. politicians think quite reasonably and admit that they must not interfere in Bosnia or in the Croatian-Serbian conflict with ground troops because they might only lose from such an action.

However, one can easily envisage a possible border incident initiated by the Yugoslav Army against a neighboring country, including Hungary. None of the neighboring countries can rule out the possibility of Yugoslav combat aircraft penetrating its airspace, launching missiles, or dropping bombs, Imre Orszag thinks.

According to the military expert, Hungary is able to defend itself against a possible attack. The action units deployed within the framework of the Border Police are capable of this. Besides, there is not much difference between the Hungarian and Yugoslav air forces and air defenses. Although Belgrade has purchased 20 MiG-29 combat aircraft that are more modern than the Hungarian interceptors, they can only set up one good combat squadron, because they have already lost several aircraft.

Antall Relieves Ministers in Cabinet Reshuffle

LD1102133093 Budapest MTI in English 1258 GMT 11 Feb 93

[Text] Budapest, February 11 (MTI)—In accord with earlier government reshuffle plans, Prime Minister Jozsef Antall on Thursday [11 February] accepted requests by Environmental Protection Minister Sandor K. Keresztes and Minister Without Portfolio Balazs Horvath to be relieved. Simultaneously, Antall proposed President Arpad Goncz to relieve Culture Minister Bertalan Andrasfalvy,

Agriculture Minister Elemer Gergatz and Transport and Telecommunications Minister Csaba Siklos as of 22 February.

Since Finance Minister Mihaly Kupa refused to accept a new portfolio, Antall acknowledged his intention to resign, announced on 10 February, and will soon submit the proposal to relieve Kupa to the president, says a communique issued by the prime minister's press office.

Antall will arrange parliamentary committee hearings for the new ministers in the coming days.

He thanked all outgoing ministers for their work and said he hoped for their further contribution to legislation and to other spheres of public affairs, the communique says.

Finance Minister Discusses Dismissal

LD1102163893 Budapest MTI in English 1506 GMT 11 Feb 93

[Text] Budapest, February 11 (MTI)—After refusing to accept the transport and telecommunications portfolio, outgoing Finance Minister Mihaly Kupa told the press he saw a reason for his dismissal in being an independent person.

"I am an independent person and that's not useful before the elections," Kupa said, remarking he had for three months had the feeling he would have to leave his chair. He said he had declined to accept the transport and telecommunications portfolio, offered to him by the prime minister at an earlier consultation, because he did

not know anything about that profession. Also, he considered outgoing Transport and Telecommunications Minister Csaba Siklos his friend, he added.

Prime Minister Jozsef Antall proposed to relieve Siklos and several other ministers in a government reshuffle on Thursday [11 February].

Although he sees it useless to stay in the Hungarian Democratic Forum parliamentary group and plans to leave it, Kupa expects to continue his political career as an independent MP [member of parliament].

He said he was handing Hungary's economy over to his successor in an adequate state: Parliament has adopted the 1993 central budget and 60 per cent of financial and economic regulations. In his view, he has managed to carry out Eastern Europe's only successful transformation programme. His only failure, he said, was that the government had been late in starting a reform of public finances.

Kupa said his resignation was unrelated to talks underway with the International Monetary Fund, and hoped the negotiations would continue unhindered. He had been trying to complete the talks with success as he considered the agreement vital, he added.

Until a new minister takes office, the portfolio will be managed by State Secretary Tibor Pongracz.

Gives News Briefing on Dismissal

LD1102233593 Budapest Kossuth Radio Network in Hungarian 1730 GMT 11 Feb 93

[Excerpts] Finance Minister Mihaly Kupa held a news briefing following the news that he is to be relieved. [passage omitted]

[Begin recording] As regards the fate of the country, Hungary is still in a very difficult situation. The situation is not helped by the way the foreign countries look upon Hungary, and by the region's instability. However, I still think that there is every chance for 1993-94 to be successful. In order to do this, of course, the agrarian sector has to be put in order. Also, something ought to be finally done about privatization, because we are going to lose 2-3 percent growth annually if we cannot bring in appropriate capital and technology. [passage omitted]

[Unidentified correspondent] How did the prime minister explain that he wanted to transfer you to another portfolio?

[Kupa] By saying that he wants to transform the Council of Ministers or the government, and that this is obviously a political will, which I deeply respect. Thus I took cognizance of it, for he is the chairman of a party and of a government, and the leader of a coalition; thus he obviously had to consider a number of political views.

[Correspondent] Did he have professional justifications?

[Kupa] Well, forgive me, but I do not think that great objections could be levelled against my professional activity. No, it was obviously a political consideration. [passage omitted]

[Correspondent] In your opinion, to what extent does this influence the country's economic situation?

[Kupa] I very much hope that it does not influence it at all, for it never depends on just one person but on the apparatus—there are other members of government. [passage omitted] I was hard done by in one aspect; I considered it a kind of summit of my career that I was elected as the current president of the World Bank and the IMF. This pains me, but the rest does not bother me. [passage omitted]

It is obvious that the prime minister—mind you, he will tell you this himself, I am not his spokesman—is the leader of the ruling coalition. He wants to win the elections and he has to be prepared for this. However, I do not think that it would have rested on me whether they win or lose. [passage omitted]

[Correspondent] How do you think the international financial world will react to this?

[Kupa] Badly, but this is not my affair anymore, the government has to assess that. [end recording]

Csurka Voices Displeasure at Cabinet Reshuffle

LD1102231493 Budapest Kossuth Radio Network in Hungarian 1700 GMT 11 Feb 93

[Text] Istvan Csurka [leader of the right wing of the Hungarian Democratic Forum, MDF] was surprised by the news of the government reshuffle, and he does not feel the prime minister's decisions are successful. The MDF member was first and foremost astonished by the dismissal of Mihaly Kupa, for in his view the government therefore let off the hook the person who is responsible for the budget, which is going to collapse in two to three weeks. The government party politician does not agree with the release of Bertalan Andrasfalvy either, because he regards the political approach of the minister of education as being close to his own.

At his press briefing, Istvan Csurka found it strange that an MDF presidium member should learn about the government reshuffle from the press, and at the same time he confirmed that in essence he has no contact with Prime Minister Jozsef Antall.

Walesa Repeats Sejm Dissolution Threat

AU1202122093 Warsaw PAP in English 2026 GMT 10 Feb 93

[Text] Warsaw, Feb. 10—President Lech Walesa told members of the Solidarity parliamentary caucus that being guided by the interest of the state he will dissolve parliament if the 1993 budget law is not approved.

The president added that he was not trying to blackmail the deputies but felt that the chamber may prove to be unable to find solutions to other difficult problems if it cannot reach agreement on the budget.

He warned that he will not allow the country's destabilization to permit the scenario he foresees after the possible dissolution of the parliament and collapse of the cabinet. He also rejected allegations of having ex-communist agents among his closest associates.

Vote Considered 'Crucial' Test

LD1102203093 Warsaw PAP in English 1949 GMT 11 Feb 93

[Text] Warsaw, Feb. 11—The Sejm (lower house) resumed its debate on the 1993 budget on Thursday [11 February] in an atmosphere that left no one in any doubt that the vote will be a crucial political test for the ruling coalition.

Early on Thursday, deputies heard warnings from National Bank of Poland (NBP) President Hanna Gronkiewicz-Waltz that failure to contain the deficit within the government's proposed 81 trillion [tr] zloty (5 billion dollar) ceiling will create serious inflationary pressure. We cannot count on a miracle that hyperinflation will not return even if the deficit rises by a further few tens of trillions, she warned.

Ms. Gronkiewicz-Waltz told the Sejm that the NBP would be unable to finance more than 30 tr zlotys of the planned budget deficit without seriously restricting the amount of credit available to Polish businesses, and adding to inflationary pressures. She warned that the NBP was not prepared to print more "funny money," as it had been forced to do to finance the 5 tr zloty deficit overrun at the end of 1992, which had added 6 percent to the annualised inflation rate.

Introducing the draft budget to the Sejm, Jerzy Eysymontt of the Polish Liberal Programme (PPL) said that the Sejm Budgetary and Legislative Committees recognised the inflationary pressures. We cannot exceed the 81 trillion ceiling in a non-inflationary way, he warned.

Eysymontt added that the committees also accepted the government's argument that there are no budgetary resources available to meet the higher public sector wage and pensions costs which would be required if Sejm amendments proposed at the end of 1992 are actually implemented. He called for the implementation of the proposals to be deferred for the current year.

As the debate got under way, Aleksander Kwasniewski of the Democratic Left Alliance (SLD) reiterated SLD's firm opposition to the government's budget proposals. We do not agree that there is no alternative, and the government should abandon its "text-book" approach, in favour of methods which would serve the population.

Kwasniewski accused the government of copying the methods of Poland's former Communist rulers: "In our opinion responsibility for the governance of the state does not mean passing the budget at any price" are the poorest in society being forced to bear the costs of reform, he asked.

Professor Bronislaw Geremek, parliamentary leader of the Democratic Union (UD), called for an end to rhetoric, and attacked minority amendments which would only add to the budget deficit. He argued that inflationary pressures bore down more heavily on the poorest in society.

Witold Gadomski of the Polish Liberal Programme (PPL), another coalition party, argued that the government's draft budget would improve economic prospects and allow for further falls in the rate of inflation. PPL supported the budget, despite the fact that it was largely passive, representing political and social compromises.

Another leading opposition figure, Waldemar Pawlak of the Polish Peasants Party (PSL), pledged that PSL would vote against a budget which weighed heavily against pensioners and the worst-paid. We are making our return to Europe "on foot, and barefoot," he said. To pass the budget will cause greater harm to Poland than the possible repercussions of its rejection.

Leszek Moczulski, leader of the right-wing nationalist Confederation for an Independent Poland (KPN), criticised the government's call Wednesday for the suspension of work on budget-related legislation until the budget is approved.

He also reminded the house that KPN had proposed its own draft budget. "It is not true that there is no alternative," he said. Economic growth could not be based on rises in unemployment and inflation.

To vote against this budget would be to vote against the poorest in society, claimed Tomasz Szyszko of the Christian National Union (ZChN), another key element of the ruling coalition. The budget offers the chance of economic growth through stability in monetary policy.

Szyszko criticised the amendments to financial legislation passed by the Sejm, since implementation of the decisions would create a situation where the budget simply ceased to be logical. ZChN will support the budget in its present shape, he said.

The conservative Polish Convention (KP) will support the budget, announced Andrzej Raj. It is realistic, offering the chance for economic growth, and a better budget next year. Raj also drew attention to the serious

political and social pressures which have built up in recent months as a result of the overall government crisis.

However, Raj continued, KP has many reservations about the budget, which is still rooted in the former, communist political system. He called for moves to decentralise the state administration, which frequently impacted negatively on the economy, and the tax system.

The Centre Alliance (PC) opposed the whole construction of the budget, PC leader Jaroslaw Kaczynski announced. Poland, a state of 40 million inhabitants, need not accept the dictates of international institutions in the formulation of its economic policy, he claimed. He criticised the government for failing to introduce anti-inflationary measures, and claimed that the dangers posed by hyperinflation were somewhat exaggerated. He also welcomed the alternative budget proposed by KPN, which had been formulated for economic growth.

Earlier in the day, the PC parliamentary club had criticised President Walesa for his threat to dissolve the Sejm if the budget is not passed. The PC deputies criticised the president and the government for their attempts to put unwarranted pressure on parliament.

Although the Peasant Agreement (PL) will support the budget, said Wlodzimierz Sumara, it will not do so without reservations. He criticised attempts to limit the amount of budgetary resources made available to support Polish agriculture.

"Bearing in mind all the dangers, we cannot support this budget," said former Prime Minister Jan Olszewski, leader of the Movement for the Republic of Poland (RDR). He criticised the prime minister for turning the budget issue into a choice between lesser and greater evils, and said that the refusal of RDR deputies to meet Ms. Suchocka earlier this week had been a protest against this.

Olszewski also criticised President Walesa's threat to dissolve parliament, claiming this would lead to a further destabilisation of the political system, and a further step towards presidential rule.

Ryszard Bugaj, leader of the left-wing Union of Labour (UP), said that UP would vote against the budget bill as sticking to its government's version would seriously damage the production, pauperise the society, particularly pensioners and budget sector employees, and would not be conducive to the restructuring of the economy.

Antoni Macierewicz of the Christian-National Circle is strongly opposed to the government's budget proposals. He said that the "inclusion in the budget law of the legislation on indexation of old age and disability pension and wages in the budget sector is an incredible manipulation. By linking the budget law with the privatization programme the society will be deprived of benefits of 50-years of its hard work," Macierewicz claimed.

Henryk Kroll of the German Minority regretted that politics has dominated the budgetary debate but said his circle will vote for the budget bill.

The debate was held in the absence of most of the Solidarity MP's [members of parliament] who attended the meeting of the National Commission in Gdansk.

Budget Voting Tactics Discussed

LD1102222393 Warsaw Third Program Radio Network in Polish 1900 GMT 11 Feb 93

[Text] According to our reporters from the Sejm building in Wiejska Street, [Center Accord chairman] Jaroslaw Kaczynski and [Confederation for an Independent Poland, KPN, chairman] Leszek Moczulski have been discussing budget voting tactics. They talked about shortening the Sejm's term and early elections.

[KPN leader] Krzysztof Krol said the purpose of the talks held by the KPN was to prevent the destruction of the state. Krol announced that in the event of the government resigning after the budget is rejected, the KPN would vote to accept the resignation.

Later tonight, Leszek Moczulski is to meet Polish Peasant Party chairman Waldemar Pawlak.

Sejm Continues Budget Debate

LD1102174393 Warsaw PAP in English 1655 GMT 11 Feb 93

[Text] Warsaw, Feb. 11—The Sejm (lower house) resumed its debate on the 1993 budget on Thursday [11 February] amid warnings that failure to contain the deficit within the governments proposed 81 trillion zloty (5 billion dollar) ceiling could lead to serious inflationary pressure.

We cannot count on a miracle that hyperinflation will not return even if the deficit rises by a further few tens of trillions [tr], National Bank of Poland (NBP) President Hanna Gronkiewicz-Waltz warned the house.

Ms. Gronkiewicz-Waltz told the Sejm that the NBP would be unable to finance more than 30 tr zlotys of the planned budget deficit without seriously restricting the amount of credit available to Polish businesses, and adding to inflationary pressures.

Noting that the costs of financing the 5 tr zloty budget overrun at the end of 1992 had contributed to a rise in inflation from 38 percent to 44 percent, the NPB president warned that the bank was not prepared to print more "funny money." She also told the house that the NBP would seek to reduce interest rates as a contribution to the fight against inflation.

Solidarity Opposes Proposed Budget

LD1102234293 Warsaw Third Program Radio Network in Polish 2100 GMT 11 Feb 93

[Text] The Solidarity deputies will probably vote against the adoption of the budget. During the evening meeting of the National Commission, just a few minutes ago, a vote was held in which 53 members of the National Commission were against adopting the budget, 24 were for, and five abstained. According to some parliamentary observers, the vote of the Solidarity deputies may decide the adoption or rejection of the budget law.

The debate by the Solidarity leadership was interrupted about an hour and a half ago by a sudden alarm. An anonymous caller stated, before 2100, that there was a bomb in the National Commission headquarters. The meeting was not interrupted. The members of the National Commission did not allow the police and military engineers into the room where the meeting was taking place, and they signed a statement that they would take responsibility for any possible explosions. The special police unit checked neighboring rooms.

Osiatynski Addresses Sejm

LD1202090593 Warsaw PAP in English 0849 GMT 12 Feb 93

[Text] Warsaw, Feb. 12—The Sejm (lower house of parliament) on Friday [12 February] morning resumed its plenary budget debate.

The first to address the chamber was Minister of Finance Jerzy Osiatynski who said that the government cannot accept Sejm's decisions and proposals leading to the growth of budget deficit.

The debate is attended by President Lech Walesa who announced last Wednesday that he is ready to dissolve parliament unless the Sejm passes the 1993 budget law.

Suchocka Threatens Resignation

LD1202100093 Warsaw PAP in English 0947 GMT 12 Feb 93

[Text] Warsaw, Feb. 12—Prime Minister Hanna Suchocka addressing the Sejm (lower house) on Friday [12 February] declared: "It is parliament's right to introduce amendments to a budget presented by the government. However, the government has the right to refuse to implement a budget which is not feasible. In a democratic state, this means the resignation of the government and the taking over of power by those who can win parliamentary majority for their idea. This government does not believe in a reform of the economy through printing more money. Making a decision on the shape of the budget, the Sejm is deciding whether Poland will have a chance for development or whether Poland will waste such an opportunity," stressed the prime minister.

Sejm Approves Amendments to Tax Laws

LD1102170993 Warsaw PAP in English 1518 GMT 11 Feb 93

[Text] Warsaw, Feb. 11—The Sejm (lower house) on Thursday [11 February] adopted a series of amendments to the legislation which regulates personal and corporate tax system.

Under the amendments, the monthly tax-free allowance for personal income is increased to 1,173,000 zlotys (73 dollars), a rise of nearly 36 percent over 1992. Allowances for costs will also be increased by a similar percentage. At the same time, the tax rate will be increased by 6 percent.

Changes were also made to the tax treatment of spouses, and of benefits paid to the recipients of old-age and invalidity [disability] pensions.

Temporary amendments were made to turnover taxes on imported goods. The turnover tax is due to be replaced by value added tax (VAT) later this year.

The Sejm did not accept any proposals for tax relief on capital investments, or for tax relief on funds to be used for healthcare or rehabilitation.

Also on Thursday, the Sejm's Budgetary and Legislative Committees called on the lower house to pass a motion approving Polish monetary policy for 1992, in the version submitted by the National Bank of Poland (NBP). The motion would obligate the NBP president to make a quarterly report to the Sejm on the implementation of monetary policy.

In seeking to realise the macroeconomic aims of a fall in inflation to 32 percent, and a 2 percent growth in GDP [gross domestic product], the NBP proposes a 37 percent nominal increase in the money supply (a real increase of 3.6 percent). Interest rates will also be lowered, in an attempt to reduce the cost of borrowing for Polish companies, and a policy of managed devaluations for the Polish zloty will be maintained.

Walesa To Sign Abortion Legislation

LD1102230693 Warsaw Third Program Radio Network in Polish 1900 GMT 11 Feb 93

[Text] During a meeting with the workers of the Lublin Motor Works, Lech Walesa announced a return to his election platform. The president intends to ask the courts and parliament why the announcements contained in his election platform are not being implemented.

Lech Walesa also visited the Catholic University of Lublin. He said he would sign the abortion act passed by the Sejm. This parliament will not pass anything new any more, he said. This act is better than the old one, Walesa said. The president expressed the view that only a new parliament could make further changes to Polish abortion legislation.

Asked about the activity of agents, the president replied that all documents about him collected by the Security Service have been destroyed, while Bolek was the code name of an operation meant to compromise him.

Yugoslav Convoy Sent Back; Sluice Reopens

AU1102202693 Bucharest ROMPRES in English 1849 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—After having spent 22 hours and a half in the sluice at the Iron Gates II dam on the Danube, Yugoslav ship Petrovaradin with its four barges loaded with corn was sent back upstream Thursday, February 11, around 1630.

Sending back the Yugoslav ship—which had been in the Romanian sluice since Wednesday, 1800, blocking the Danube circulation—came as a result of the fact that, despite the captain's statement that he was only going as far as the Yugoslav port of Prahovo (downstream of the Iron Gates II hydroelectric plant), the corn shipment was intended for export and was bound for the Ukrainian port of Reni. After 1630 traffic through the Romanian sluice at the Iron Gates II was resumed in normal conditions.

Actions To Observe FRY Embargo Viewed

AU1102185193 Bucharest Radio Romania Network in Romanian 1600 GMT 11 Feb 93

[Text] We have received the following communique from the Ministry of Foreign Affairs:

The Ministry of Foreign Affairs has regularly reported on the diplomatic actions taken by Romania in accordance with the pertinent resolutions of the Security Council and of the United Nations regarding the application of sanctions against the Federal Republic of Yugoslavia—Serbia and Montenegro.

Romania's way of applying the Security Council resolutions by observing the letter and spirit of their provisions has been widely acknowledged at the international level. A recent recognition of Romania's attitude toward the mandatory decisions of the Security Council was formulated in a Security Council statement on 10 February 1993, which emphasizes, quote: That the members of the Council congratulate the Romanian Government for the actions taken in this respect and reaffirm their full support for the firm application of the relevant resolutions, unquote.

The same statement recalls that in accordance with Article 103 of the UN Charter, the obligations of the UN member countries—according to this Charter—have priority over the obligations assumed by virtue of any other international agreement, the communique received from the Ministry of Foreign Affairs stresses in conclusion.

NATO Secretary General Discusses Relations

AU1102201793 Bucharest ROMPRES in English 1217 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—"There do exist fine ties between the NATO and Romania and their evolution is positive. Romania manifested great interest and was active in the cooperation council's debates. I hope that these relations will further intensify. Obviously, this depends on Romania's evolution too, on its furthering the reform and process of democratization", said Manfred Woerner, secretary general of the NATO, in an interview granted to a ROMPRES envoy to Brussels.

"As for the forthcoming visit of Romania's president, Ion Iliescu, to the NATO headquarters," Mr.Woerner said: "We are expecting that President Iliescu will present Romania's policy, will show his view over domestic development and over international developments, before the NATO Council. We will hold an exchange of opinion over international issues and, in context, I am expecting a quite interesting discussion over the issue of ex-Yugoslavia. Of course, we will examine together ways to consolidate our cooperation within the NATO Council."

The NATO secretary general said that Romania was playing an important role in Europe by its geographical position, by its traditions, history and culture, by the relations with its neighboring states. "I hope Romania will keep its course towards democracy, that it will guarantee the rights to minorities, and all human and civil rights. Moreover, I hope that Romania will further its policy of economic reform, that it will grow relations with West European countries and will remain confident to the CSCE final act and to the Paris chart."

Turkish Foreign Minister Arrives, Makes Statement

AU1102201893 Bucharest ROMPRES in English 1221 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—"I am very happy I have come to Romania at the invitation of my friend, the foreign minister, Mr. Teodor Melescanu," said Hikmet Cetin, foreign affairs minister of the Republic of Turkey, upon arrival at the Bucharest Otopeni Airport, on February 11.

"Turkey and Romania are two important countries in the Balkans and they consider themselves as neighbors through the Black Sea. We have the political will to develop the collaboration with Romania in every domain of activity. We have no disputed issue with your country. We follow with great satisfaction the successes won by Romania these last few years, starting 1989, on the road to democracy and a free market economy. I will discuss with my Romanian counterpart the possibilities to develop the economic and commercial relations between our countries."

Premier, Cetin Discuss Relations

AU1102202293 Bucharest ROMPRES in English 1458 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—Nicolae Vacaroiu, Romania's prime minister, received on February 11 Hikmet Cetin, minister of foreign affairs of Turkey, now on a two-day visit in Bucharest. The Romanian prime minister recalled the "exquisite" relations

between the two countries, their upward course, development and diversification, stressing that Turkey currently stands seventh in Romania's foreign trade.

They discussed matters of mutual interest and singled out new ways of extending the bilateral relations between Romania and Turkey in the most varied domains of cooperation. The interview was attended by Teodor Melescanu, Romania's foreign minister.

The Turkish guest told the press after his interview with the premier that it was "very useful" and stressed that "the year 1993 will be important for all domains of activity in the Romanian-Turkish collaboration. Turkey and Romania are two important countries both in the Black Sea area and in the Balkans and they will play an important role in this part of Europe," the Turkish foreign minister said.

Melescanu, Cetin Conclude Talks

AU1102202493 Bucharest ROMPRES in English 1527 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—On February 11, Foreign Minister of the Republic of Turkey Hikmet Cetin arrived in Bucharest. During the morning, a first round of discussions took place between the Romanian and Turkish chief diplomats, Teodor Melescanu and Hikmet Cetin. The talks referred to political cooperation in bilateral relations. The officials talked also about the two visits, to Bucharest, which should be made by Turkish Premier Suleyman Demirel, and by the President of Romania Ion Iliescu to Ankara, planned for next September.

The Turkish foreign minister told the press at the end of the first round of talks that Romania and Turkey could play an important role in the zone as the two countries had the same regional interests and shared the wish to extend their political, economic, cultural, as well as consular relations. On the second round of talks, taking place in the afternoon, the two foreign ministers will discuss problems of regional and international concern, such as the Black Sea Zone, the Balkans, and the Yugoslav crisis.

Cetin Begins Contacts in Bucharest

TA1102192893 Ankara TRT Television Network in Turkish 1800 GMT 11 Feb 93

[Text] Foreign Minister Hikmet Cetin, who went on an official visit to Romania today, has begun his contacts. In Bucharest, Cetin was received by Romanian President Ion Iliescu. Cetin also met with Romanian Prime Minister Nicolae Vacaroiu, who expressed great pleasure over Cetin's visit. Vacaroiu said that it has been agreed in principle that Turkish Prime Minister Suleyman Demirel will visit Bucharest and Iliescu, in turn, will visit Ankara, adding that the dates of the visits will be determined later.

The official talks between the delegations headed by the foreign ministers of the two countries were also held in Bucharest. The Bosnia-Hercegovina problem, in particular, regional issues, and bilateral relations were discussed at the talks. The two foreign ministers signed the 1993 working program between the two countries. Cetin also visited the Turkish cemetery in Bucharest.

Melescanu, Cetin Sign Cooperation Program

AU1102201993 Bucharest ROMPRES in English 1934 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—At the close of two rounds of talks between the Romanian and the Turkish foreign ministries, Teodor Melescanu and Hikmet Cetin, a 1993 Romanian-Turkish programme of cooperation was signed. The programme stipulates that the two sides will organize this year a visit of President Ion Iliescu to Ankara, and a visit by the Turkish premier, Suleyman Demirel in Bucharest.

The document specifies that Turkey's minister of foreign affairs has invited his Romanian counterpart to pay an official visit to Turkey. The invitation has been accepted and its date will be fixed through diplomatic channels. According to the said programme, the parties will have consultations on a regular basis on the development of the ties between the two countries as well as on international and regional issues of interest for them both. The two sides will cooperate closely to put in place the declaration on economic cooperation in the Black Sea area, and will make efforts for the creation of the Black Sea Parliamentary Assembly, for the development of cultural and scientific cooperation in the region.

The programme mentions that Romania and Turkey have proved interested in negotiating and concluding an agreement of economic and technico-scientific cooperation for the current year, initiatives being primarily backed in fields such as industry, banking, tourism, science, culture, education. Cultural centers are going to be opened in Ankara and Bucharest, the final touches of the programme of the 1994-96 cultural exchanges will be put, Romanian culture weeks will be held in Ankara and Turkish culture weeks in Bucharest. The two sides will carry on in cooperation conservation and maintenance works to historical monuments and archaeological sites.

This programme has had a political message primarily, said the Romanian Foreign Minister Teodor Melescanu. It expresses Turkey's and Romania's decision to contribute to stability and security in the neighbor area of the Balkans, their decision to expand their relations at all levels.

For his part, the head of the Turkish diplomacy, Hikmet Cetin, mentioned that the document he and his Romanian counterpart had signed, expressed the political will of the two parties to develop their ties.

Iliescu, Others Meet Cetin

AU1102202893 Bucharest ROMPRES in English 1938 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—On a two-day visit to Romania, Turkish Foreign Minister Hikmet

Cetin was received Thursday, February 11 at the Cotroceni Palace, by Romanian President Ion Iliescu. In the press statements that followed the interview Ion Iliescu and Hikmet Cetin referred mainly to the evolution of political, economic and cultural relations between the two countries.

"There is a coincidence of opinions between Romania and Turkey regarding international life," said President Iliescu.

Hikmet Cetin appreciated his interview with President Iliescu as "very useful" and stated that in September the high-ranking Turkish officials will be "happy to have Mr. Iliescu as a guest."

Thursday, February 11, speaker of the Romanian Chamber of Deputies Adrian Nastase together with Senate Vice President Eugen Dijmarescu received the delegation of the Turkish republic, headed by Turkish Foreign Minister Hikmet Cetin.

During the interview matters of mutual interest were approached, regarding development of multilateral relations between the two countries and peoples. Special attention was given to the relations on the parliamentary level—informs the Romanian directorate for foreign parliamentary relations.

Parliament Asks CSCE's Help To Free Moldovans

AU1102202093 Bucharest ROMPRES in English 1437 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—Senate and Chamber of Deputies, in joint sitting on February 11, voted in favor of a humanitarian appeal by Romania's Parliament to the parliaments of states participating to the Conference for Security and Cooperation in Europe (CSCE). The appeal calls for support to save the lives of some citizens of the Republic of Moldova who might be sentenced to death by the so-called justice organs of Transdniestria.

"Assuming that, at the present stage of affirmation of human rights, the international community cannot tolerate destruction of human life on reasons of political belief or belonging to a certain political formation, and considering the fact that CSCE was involved in solving the conflict emerged in the Dniester districts of the Republic of Moldova, the one conflict that generated the arrest of these citizens who are to be tried by the so-called authorities in Tiraspol, the Parliament of Romania call on all parliaments of the CSCE countries to take emergency action, in a humanitarian approach, in order to ensure decent imprisonment conditions and rescue the lives of these people," reads the appeal of Romania's Parliament.

Government's 'Wait-and-See Attitude' Condemned

AU1202132193 Bucharest ROMPRES in English 1204 GMT 12 Feb 93

[Text] Bucharest, ROMPRES 12/2/1993—ECONOMISTUL, a weekly devoted to economic issues, carries an article remarking that "unfortunately, the cabinet headed by Nicolae Vacaroiu, has chosen, just like the previous governments, the far from profitable wait-and-see attitude, which makes any intention of dialogue and communication futile." At home, the government lacks a clear view of the tactics through which it should made translucent the strategy it has assumed to follow. Under the circumstances, the article writes, union pressure has open field of action. Seizing the opportunity, some union leaders have proceeded to the first 'assault', making threatening and bellicose statements. At this point, the author of the article admits he fails to understand "the government's obstinate silence, because the rise by 75 per cent last year of unemployment and the depreciation by 15 per cent of wage earners' purchasing power cannot but justify the wave of claims union federations have in store for the government."

The staunch claims of union groups, the paper says, are not the only thing that place the government activities and transparency in a difficult position. Equally strong is the pressure laid by the International Monetary Fund. The visit to Bucharest recently of an IMF delegation for the negotiation of a new stand-by agreement was not incidental. The Fund wants to make sure that a possible loan to Romania would observe certain rules, especially in point of industrial restructuring and resumption of investment activities through the own effort of public and private sectors in Romania. Anyway, the weekly writes, IMF's 'goodwill' to Romania seems this year to be conditional on a more relevant effort by Romania for the furtherance of the reform. As a matter of fact, the chief of the IMF mission said that in a few weeks, "the Romanian Government will give important signals both for the Romanian people and for the international community."

Experts Fail To Find Microphones in Parliament

AU1102103493 Bucharest ROMPRES in English 0948 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—Specialists proceeded Wednesday, 10 February, to the technical inspection of reportedly intercepted telephone sets at the headquarters of the Chamber of Deputies. Inspection was carried in the presence of representatives of parliamentary groups in the lower house, journalists of EVENIMENTUL ZILEI, and experts of the Ministry of Communications.

The testing was simultaneously conducted with the quoted newspaper's BIRD [expansion unknown]-type device and the ministry's specialized equipment. Although the BIRD device indicated the presence of an electromagnetic field when operated near the said sets, upon dismantling them, no microphones were found. Experts explain the electromagnetic field by the electrical actuation of the sets' circuits and see it as a normal phenomenon.

A protocol was concluded on the findings, bearing the signatures of the representatives of the parliamentary groups of the Democratic Union of Hungarians in Romania (UDMR), the Romanian Ecologist Party (PER), the Romanian National Unity Party (PUNR), the Democratic National Salvation Front (FDSN), the

National Peasant Christian-Democratic Party (PNTCD), the Civic Alliance Party (PAC), the National Liberal Party-Young Wing (PNL-AT), and of the daily EVENIMENTUL ZILEI.

The action was taken subsequent to information carried by EVENIMENTUL ZILEI about telephone tapping in the Parliament offices of opposition members, information relying on measurements made by the said daily with the BIRD device. Other newspapers relayed the news causing tension among members of parliament and the Romanian public.

Vacaroiu's Comments on Financial Problems

AU1102104193 Bucharest ROMPRES in English 0842 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—During the Wednesday [10 February] meeting of the Government with trade union confederations leaders, Prime Minister Nicolae Vacaroiu considered as "groundless" the rumor regarding the obligation of physical persons and of foreign firms to sell to the state forty percent of their hard currency [assets] in bank accounts.

Premier Vacaroiu explained that the executive considered as abnormal that economic agents operating exports were depositing their hard cash in tens of accounts, in different banks, for losing track of them [to confuse fiscal authorities], while the government was striving to face foreign debts, which are monthly amounting to some $250 million for imports of power, fuel, wheat, fodder, chemical fertilizers, and metal ores. And all these while state-financed or private economic agents are holding an estimated $600 million in banks abroad.

The premier mentioned that, presently, ways of revigorating Romanian reserves of hard currency are under study at the government, the variant in the press being only one of the three or four now under negotiation, and certainly not the chosen one.

Spiroiu Discusses Modernization of Armed Forces

AU1102131893 Bucharest Radio Romania Network in Romanian 1100 GMT 11 Feb 93

[Text] A news conference on current and long-term issues concerning the restructuring and modernization of the Armed Forces was held today in the halls of the National Military Circle.

National Defense Minister Lieutenant General Niculae Spiroiu told the journalists that to achieve the restructuring, rebirth, and modernization of Romania's forces, among other things, his ministry intends to work out a new blueprint of the Armed Forces' main structures by the end of the year. The Romanian forces would also have to be made compatible with structure standards in the forces of democratic countries, Spiroiu pointed out. According to the same plans, civil political personalities are to be included among the leadership of the National Defense Ministry.

Spiroiu also highlighted the necessity to complete and implement the defense budget, which currently merely covers 20 percent of the needs, and financial resources should be made available for the troops' combat practice.

Answering journalists' questions, Lieutenant General Niculae Spiroiu detailed the efforts made by the leadership of the National Defense Ministry meant to ensure partnership relations between the Romanian forces and security structures established in Europe, as the Romanian forces—having a defensive doctrine—do not intend to engage in conflicts with neighboring countries.

More on Spiroiu's News Briefing

AU1102195493 Bucharest ROMPRES in English 1659 GMT 11 Feb 93

[Text] Bucharest, ROMPRES 11/2/1993—Keeping away from political fighting, the Romanian Army could maintain its strength intact in a geopolitical space submitted to tensions, said Lieutenant General Niculae Spiroiu at a Thursday, February 11, news conference.

Minister Spiroiu mentioned that there was no reason for a conflict with Serbia, with which Romania has had traditional friendly ties, which it wants to continue. As for the recent "allegations," from a Croat source, concerning a so-called involvement of the Romanian Army in the conflict in former Yugoslavia, the Romanian minister of defence said they were "untrue."

Minister Spiroiu spoke about the ongoing restructuring and modernisation of the Romanian Army, which, he added, would be "promoted" in time, in concord with the current geopolitical conditions of Romania. He opined that the developments in Transdniester and former Yugoslvia were "unpredictable."

Lieutenant General Spiroiu said that efforts were being made to put in place a "modern legislative and logistic framework" for the Romanian Army, to bring it in terms of structures, to meet the standards of a democratic army.

General Dumitru Cioflina, head of staff, who attended the said news conference, mentioned that it was a great advantage for the Romanian Army to have had a doctrine different from that of other countries in 1968. The current military doctrine can be termed as being "consistent with itself," as it has proved to be 90 percent fit for the present geopolitical conditions. According to General Cioflina, this doctrine has to make Romania able to give a "gradual riposte to an adversary."

Izetbegovic Calls U.S. Plan 'Encouraging'

LD1102160793 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 11 Feb 93

[Report by Ranko Mavrak from Sarajevo]

[Text] "The U.S. plan [for Bosnia-Hercegovina] is encouraging because it gives a fresh impulse and direction to the negotiations to find a solution to the crisis in Bosnia-Hercegovina," said Bosnia-Hercegovina President Alija Izetbegovic at a news conference in Sarajevo today. This new impulse is mostly indicated by the appointment of a representative of the United States to the team of negotiators. We are convinced that in this way the United States will be able to show more understanding for a multinational and multicultural community such as Bosnia-Hercegovina. The European countries have not had enough insight into this because they themselves are not multinational and multicultural, Izetbegovic claims.

The U.S. plan is also significant because it again makes the difference between the victim and the aggressor. The line of distinction between the two has partly been lost in the Geneva talks, which is impermissible. The decisivenes of the U.S. administration to support the idea of setting up a war crimes tribunal is also important, as well as the readiness to secure efficient deliveries of humanitarian aid. Perhaps the most important part of the Clinton plan is its point five, which precisely lists measures for implementing the peace plan using military force if neccessary. We have not seen such decisiveness within the European Community and that is why we have considered the Owen-Vance plan as considerably inadequate, Izetbegovic said.

The impression is that despite his verbal satisfaction, President Izetbegovic is not really impressed by this new approach of the U.S. administration. This was best illustrated by his answer when asked how he saw the decision not to lift the arms embargo on Bosnia-Hercegovina. With undisguised irony Izetbegovic said that the decision was made owing to the efforts of his European friends.

Welcomes U.S. Initiative

AU1102150793 Paris AFP in English 1459 GMT 11 Feb 93

[Text] Sarajevo, Feb 11 (AFP)—Bosnian President Alija Izetbegovic on Thursday [11 February] welcomed a U.S. initiative on ending the war tearing his country apart, but he remained doubtful that more diplomacy would end the fighting.

In the streets of Sarajevo, a sampling of citizens produced a mainly negative reaction, with most seeing the U.S. position as a continuation of inconclusive diplomatic efforts. "Our sorrow will continue," said Zlatko Gacanica, 28, a civilian engineer working for the Army.

Izetbegovic put on a much more optimistic face Thursday than he did five days previously, when he told reporters that endorsement of a peace plan drawn up by negotiators Cyrus Vance and Lord Owen would see the war continue and back the "bloody argument" of ethnic cleansing—the expulsion of Moslems from towns and villages conquered by Serbs.

Thursday, he told a press conference that the U.S. initiative—which included the appointment of a special envoy and left open the possibility of U.S. military involvement in Bosnia—was "very welcome."

He said it brought the country "closer to peace" and gave a "new impulse and new direction" to diplomatic efforts to end the war. The "greatest disadvantage, or deficiency," of the U.S. initiative, he said, was that it was based on the three warring parties reaching an agreement to end the fighting.

He also agreed dryly with a reporter who asked him if he might be dreaming impossible dreams in thinking the latest initiative would end the war. "I don't think the future course of events can be very positive and positively solved," he said.

The plan drawn up by Vance, representing the United Nations, and Owen, representing the European Community, would divide Bosnia- Hercegovina into 10 semiautonomous provinces, with the Serbs, Moslems and Croats controlling three each, the 10th an "open" province surrounding Sarajevo, the capital.

The government and the Serbs both rejected the boundaries proposed, though they were accepted by the Croats. Izetbegovic said Americans had a better understanding than did Europeans of multicultural communities, and that the U.S. emphasis was on human rights whereas the European emphasis was on national rights.

He said it was difficult to predict what the stance of President Bill Clinton's administration would be, but that Washington was making a clear distinction between aggressors and victims, a distinction he said had been minimised in the Vance-Owen initiative.

The announcement of the U.S. initiative Wednesday by Secretary of State Warren Christopher "says quite clearly who the aggressor is and... the aggressor is being warned of the cost of the aggression," he said. The president in particular praised a U.S. proposal to set up an international war crimes tribunal. He said he believed the U.S. initiative would improve the lot of Bosnia-Hercegovina's population, living in "unbearable conditions."

"The novelty is that the government of the United States has expressed its willingness and its readiness to protect humanitarian convoys," he said.

"It was really the very last moment for making such a decision, because... the convoys bringing humanitarian

relief to eastern Bosnia have been stopped almost completely and the humanitarian convoys are relying entirely on the mercy and goodwill of the aggressor."

Izetbegovic said the most important point in the U.S. announcement was Washington's commitment to join with the United Nations and the North Atlantic Treaty Organisation to ensure compliance with any agreement reached between the three warring parties, using troops if necessary.

This was of "crucial importance," he said, adding that "an essential deficiency" of the Vance-Owen plan was that it contained no implementation measures. But he expressed disappointment that the United States had not in the end urged modification of an embargo of arms supplies to all warring parties in the former Yugoslavia to allow the outgunned Bosnian Army to acquire more heavy weapons. He blamed that on the pressure of "European friends" who had said it would endanger European U.N. troops on the ground and might lead to a wider war.

Further Izetbegovic Comments

AU1102210293 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 11 Feb 93

[Report by Nada Rajkovic on news conference by Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, in Sarajevo on 11 February—recorded]

[Text] [Rajkovic] The views of the Clinton administration point at some new directions and impulses in the solution to the war in Bosnia-Hercegovina, President Alija Izetbegovic said, thinking in the first place of the appointment of the new man in the Vance-Owen negotiating team. He added:

[Izetbegovic] First, we expect that there will be more understanding in the negotiations for Bosnia-Hercegovina as a multicultural and multiethnic community, which has not been the case so far. The Americans have more understanding than the Europeans of what a multicultural and multiethnic community stands for. Europe has always had more understanding for national rights, while the Americans have always had more understanding for human rights.

The second thing we expect is that there will be more discrimination between the victim and the aggressor than has been the case so far during the negotiations in Geneva. We had a feeling that this difference was completely ignored. After a longer time, the U.S. statement again mentions the term aggression, who the aggressor is, and the aggressor is warned about the rising price of aggression. We should not neglect in this context the initiative, officially stated for the first time, for the formation of a war crimes tribunal.

Of course, the view expressed in Point Four [of the U.S. initiative] is certainly not without significance. It talks of, as it says, the President taking steps to alleviate the suffering and bloodshed while the negotiations last. We think that this answers our requests, since we have stressed many times that negotiations are being conducted under abnormal conditions. We have been warning that we are in a handicapped position because of the continuing aggression, the talks have always been held in the conditions of continued aggression, the shelling of cities, ethnic cleansing, bloodshed, and so on.

Something should be read into this, and also the fact that is important is that the President says that he has undertaken steps to create more normal conditions for the continuation of the negotiations, that is, to eliminate or considerably reduce [pauses] to improve the conditions in that respect. We can also see significant news in the fact that the U.S. Government has expressed readiness to improve the security of the convoys, to protect the humanitarian aid convoys. It is high time for that since, as you know, the convoys to eastern Bosnia have almost stopped; they are completely at the mercy of the aggressor.

All these things I have mentioned are important, but as far as we are concerned, Point Five is the most important one. This point concerns measures for the implementation of the future agreement, which corrects the worst fault of all the other papers, which have not outlined any instruments for this implementation. Let me remind you, Point Five says that the United States will join the United Nations and NATO in securing measures to implement the agreement, but with an important addition—including the use of U.S. military force if the need arises. That is of the utmost importance. In any case, we welcome the stand of the U.S. Government. We believe that conditions are being created for a successful continuation of these talks, and their completion.

[Rajkovic] After presenting his views on the decisions of the U.S. diplomacy, Mr. Izetbegovic was faced with many questions from foreign correspondents, most of which were concerned about what the Bosnia-Hercegovina authorities thought was positive and what was negative in these decisions. The negative aspect is the fact that U.S. help is conditioned to reaching an agreement between the Bosnians, Serbs and Croats. However, the positive thing is that, according to Alija Izetbegovic, pressure will be a constituent part of this diplomacy.

In this regard, negotiations in the next period will be more acceptable than what was offered by the Vance-Owen plan, as until now there was no mention of the means that will be used to guarantee peace even in the case that it is signed, Izetbegovic said.

Bosnian Serb Official Criticizes U.S. Plan

LD1102163593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1429 GMT 11 Feb 93

[Text] Belgrade, 11 Feb (TANJUG)—The U.S. proposal demonstrates that for the time being it has given up on military intervention and this is encouraging in this

respect, TANJUG was told today by Aleksa Buha, minister for foreign affairs of the Serbian Republic [of Bosnia-Hercegovina]. According to Buha, the proposition itself, published this morning, is not new but what is new is the United States' decision to become directly involved in the peace process of resolving the Bosnia-Hercegovina crisis. "It seems to me, however, that the way they want to do this is not the most promising one," Buha said, "and it is not a true contribution to a long-term solution.

"By adding new elements to the already disputable peace plan of cochairmen Vance and Owen the United States has made it even more disputable," he said.

"The United States' willingness to offer 15,000 soldiers in order to implement the plan contradicts the statements that force will not be applied in the course of this," the Serbian Republic minister stressed. He pointed out that military involvement would amount to siding with one party to the civil war and would be the wrong step, which would lead to new disasters for all the nations and people of the former Bosnia-Hercegovina.

"The proposal stresses the possibility of Russia's involvement in the peace process. From our point of view this could be regarded as a positive development because, even if there is nothing else to it, this would focus and balance the negotiating perspective," Buha stressed.

As for the point about the involvement of U.S. soldiers one could also expect Russian soldiers to join the forces carrying out the peace plan, the head of Krajina's diplomatic service maintained.

Asked whether in that case one could expect major changes to Russia's conduct, Buha said that unfortunately, there is still a difference in Russia between what its authorities and some personalities advocate and what the Russian people feel and desire.

"I hope Russia's current stand is not its last word, if not for our sake then for its own sake," Buha said.

In his words, the Serbian Republic opposes any army, except the UNPROFOR forces, which would guarantee implementation of the peace plan and the resolution of the crisis in Bosnia-Hercegovina.

On the other hand, Minister Buha pointed out, the latest alterations to the map giving important concessions to the Muslims have been made at the evident insistence of the United States.

The changed map, which appeared in New York, makes small concessions to the Serbs. They are given several Serb settlements, while Muslims are given more territory than belongs to them and a Srebrenica-Brcko corridor. On the other hand, the Serbs are not given a corridor between the western and eastern parts of Bosnia and Yugoslavia.

"This is a new paradox because the Americans insisted, and cochairmen Vance and Owen pledged in Geneva, that there could be no changes to their map without the agreement of all three negotiating sides," Buha said.

According to Buha, the Serb and Croat representatives reached a verbal agreement in Geneva that provinces two (Banja Luka) and four (Bijeljina) are to be connected. "When we asked cochairmen Vance and Owen to accept that agreement, they rejected it explaining that this is only possible with Muslim approval," he explained.

"A changed map, a new map, has appeared in New York, whereby both the Americans and the cochairmen have contradicted themselves and de facto violated the mentioned principle. And this has been happening ever since the crisis and the war broke out: principles are observed strictly when Croats and Muslims are in question, and violated when Serbs are in question. Double standards, pressure, and blackmail are used against us," Minister Aleksa Buha said.

This decision has committed several strategic injustices against the Serbs: in the territorial, ethnic, and political senses, Buha stressed. He then added that according to the latest map proposal, more than half of all Serbs in former Bosnia-Hercegovina would stay outside the borders of Serb provinces and that about 350,000 Muslims and Croats would be in Serb provinces. "We make up a third of the population, but there would be proportionally more Serbs in other provinces than Croats and Muslims in Serb provinces," he noted.

"It is obvious that Western politicians have a task which they must fulfill, and now they are trying to convince us that what they have to offer is useful and optimal for us. This is, however, an unjustice, a fatal mistake, which we cannot accept because it is not just contrary to the interests of the Serb people but it brings into question its biological survival," the Serb Republic's Foreign Affairs Minister Aleksa Buha concluded in his statement for TANJUG.

Hercegovina Croats Call Plan 'Step Forward'

LD1202131693 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 12 Feb 93

[Report by correspondent Slavko Rako from Mostar]

[Excerpts] Mostar, Stolac, Neum, and Konjic were peaceful overnight with sporadic small-weapons and mortar fire by the Serb aggressor. It was also peaceful this morning. Veso Vegar, spokesman of the defense department of the Croatian Defense Council of the Croatian Community of Herceg-Bosnia said at a press conference today. [passage omitted]

Veso Vegar presented some operational findings according to which chetniks are preparing a fresh offensive in the wider area of Konjic. There are 200 special troops from Nis and 50 Russians in the village of Borci.

Russian volunteers have been coming to Montenegro where about 1,000 fresh volunteers are due to arrive.

Commenting on Clinton's plan, Veso Vegar said that it represents a step forward in the resolution of the Bosnia-Hercegovina crisis and that it is basically a support for the Vance-Owen plan. A significant novelty, according to him, is the fact that U.S. forces, together with NATO forces, will guarantee the implementation of an agreement reached by all three sides.

Serb Delegation Returning From Peace Talks

LD1102224093 Belgrade TANJUG Domestic Service in Serbo-Croatian 2113 GMT 11 Feb 93

[Text] New York, 11 Feb (TANJUG)—The Bosnian Serb delegation which participated in the New York negotiations on a peaceful settlement of the Bosnian crisis is leaving for home this evening.

As TANJUG has learned in the circles of the delegation, this was agreed at a meeting today between Serbian Republic of Bosnia-Hercegovina President Radovan Karadzic and Cyrus Vance, cochairman of the Geneva conference on former Yugoslavia.

It was stated that Vance and Karadzic concluded that at this moment there is no need for the Serbian delegation to remain in New York, but it will be asked to return, if necessary, when negotiations take on a fresh impetus, most probably in the middle of next week.

Lukic Urges Russia's Involvement in Talks

LD1202084593 Belgrade TANJUG Domestic Service in Serbo-Croatian 2352 GMT 11 Feb 93

[Text] Belgrade, 11 Feb (TANJUG)—Vladimir Lukic, prime minister of the Serb Republic [in Bosnia-Hercegovina], sent a letter this evening to the Russian Federation Congress of People's Deputies urging it "to ensure that a representative of the Russian Federation, that is, a representative of a friendly nation, becomes involved in peace negotiations on Bosnia-Hercegovina."

"We believe that this would secure a balance of various strategic interests in the solution to the crisis in former Yugoslavia and a just, lasting, and peaceful solution for all nations living on that territory," says the letter which was forwarded to TANJUG.

Lukic informs the Congress of People's Deputies that the Government of the Serb Republic "supports a decision of the new U.S. Administration to back a peaceful resolution of war conflicts in former Bosnia-Hercegovina through negotiations."

The letter assesses the EC and western approach to peace negotiations so far as "mainly one-sided" and to the detriment of the Serbian people. It also says that the continuation of the peace conference "should secure a balanced approach."

The Government of the Serb Republic is asking the Russian Federation "to urge the Security Council to adopt a decision on immediate cessation of all combat activities on all fronts in former Bosnia-Hercegovina and within the framework of international forces which would secure peace between warring sides, and in any case with the participation of the armed forces of the Russian Federation."

UN Troops Propose Sarajevo Airport Corridor

AU1102182893 Paris AFP in English 1826 GMT 11 Feb 93

[Report by Hugh Nevill]

[Text] Sarajevo, Feb 11 (AFP)—The U.N. Protection Force on Thursday [11 February] proposed opening a humanitarian corridor across Sarajevo airport, by agreement if possible but by force if necessary. French Colonel Marcel Valentin said that if the Bosnian Army and Serb commanders did not agree to the proposal the U.N. troops would go ahead unilaterally, trucking across women, children and possibly elderly men, and taking out snipers with 20mm guns mounted on armoured personnel carriers.

"By daylight we can riposte to sniper fire," Valentin said. The corridor would be open for one hour each day after the last flights had landed and taken off, he said. The U.N. troops would use another hour each day to set the corridor up, he said, and the civilians would be trucked across in daylight so the troops could spot the snipers.

Hundreds of Sarajevans attempt the crossing every night after dark, some of them trying to flee the besieged city through a gap in the Serb lines, others going to a suburb beyond the airport to shop for food, clothes or ammunition.

The ammunition is confiscated, and all military supplies would be banned on the trucks, with the civilians able to take one bag each, which would be searched.

Under an agreement with the Serbs and the Bosnian authorities, soldiers of the French Foreign Legion guarding the airport now stop people attempting to cross and take them back to their starting point (or presumed starting point) on either side of the airport.

But the armoured personnel carriers criss-crossing the tarmac turn their searchlights on the groups as the soldiers apprehend them, and snipers have killed five crossers this month and wounded many more. One legionnaire was shot in the hand.

Valentin said Bosnian President Alija Izetbegovic had accepted the idea, and that the initial reaction from the Serbs was that they would like a corridor added to allow Serbs in Sarajevo to reach Serb-held towns around the capital.

The proposal will be studied by a mixed military commission made up of representatives of both sides, plus U.N. representatives.

Government To Refuse All Aid Until Convoys Freed

AU1102215293 Paris AFP in English 2120 GMT 11 Feb 93

[Text] Sarajevo, Feb 11 (AFP)—The Bosnia-Hercegovina Government announced Thursday [11 February] that it would refuse all aid until relief convoys are able to get through to beleaguered towns and villages in the east and southeast of the country.

The announcement was made by the State Commission for the Acceptance and Distribution of Humanitarian Relief.

Zlatko Lagumdzija, a deputy prime minister, said it was difficult to ask citizens to refuse aid, but that it was an expression of sympathy with the people in the east and southeast, where heavy fighting is taking place and where Serbs have blocked the relief convoys.

A group representing citizens there appealed Tuesday to all Bosnians to renounce aid until their region was supplied.

On Wednesday, French General Philippe Morillon, the commander of the U.N. Protection Force (UNPROFOR) in Bosnia-Hercegovina, produced a timetable for relief convoys to the region, but Thursday morning U.N. spokesman Jean-Eric Winkler said a convoy to Gorazde, in the southeast, had been blocked by Serbs for the third week running, and had been diverted to Sarajevo.

Major Pyers Tucker, a spokesman for the UNPROFOR here, said Thursday evening however that no official notification of the decision had been communicated to Morillon.

A similar statement reported by local radio some three weeks ago was denied subsequently as misreporting.

Lagumdzija Sends Protest Note to UNHCR

AU1102123893 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1100 GMT 11 Feb 93

[Text] Zlatko Lagumdzija, vice chairman of the Government of Bosnia-Hercegovina, has sent a protest note of the Sarajevo citizens to the UN Office of the High Commissioner for Refugees [UNHCR] and all politicians who are trying to solve the humanitarian crisis and brutal aggression against the state of Bosnia-Hercegovina, including David Owen, Cyrus Vance, Sadako Ogata, and Satish Nambiar. The protest note reads as follows:

Dear Ladies and Gentlemen:

I am conveying to you the protest note of the citizens of Sarajevo to the UN Office of the High Commissioner for Refugees. In this note they express their resoluteness to stop receiving humanitarian aid for the time being as an expression of solidarity with the people in eastern Bosnia who are dying of hunger because the aggressor refuses to let the humanitarian aid convoys pass through. On the basis of this decision, we inform you that the agencies for humanitarin aid will stop receiving aid for Sarajevo until conditions in the besieged regions change, it is said in the protest note that Zlatko Lagumdzija, vice chairman of the Government of Bosnia-Hercegovina, has sent to Owen, Vance, Ogata, and Nambiar.

Fighting Closes Sarajevo Airport

AU1102142093 Paris AFP in English 1422 GMT 11 Feb 93

[Text] Sarajevo, Feb 11 (AFP)—At least two French foreign legionnaires were wounded and Sarajevo airport was closed to relief flights Thursday [11 February] as Bosnian Army and Serb troops shelled each other across the runway. Shells crashed on and around the airport as the Bosnians attacked the Serb stronghold of Ilidza and the Serbs counterattacked. Sources at the airport said two and possibly three legionnaires had been wounded.

French Legionnaire Dies After Airport Battle

AU1202082793 Paris AFP in English 0817 GMT 12 Feb 93

[Text] Sarajevo, Feb 12 (AFP)—A French foreign legionnaire wounded by shrapnel Thursday [11 February] died on the operating table at 2:20 a.m. (0120 GMT) Friday, U.N. Protection Force spokesman Barry Frewer reported. His body was evacuated early Friday to the southern Croatian city of Split, en route for Paris.

He was among four legionnaires wounded as Bosnian army and Serb troops shelled each other across the airport, which the legion guards. His name was not immediately available. Many legionnaires are from countries other than France, some former criminals, and the legion does not give their nationalities when identifying them.

Two mortar rounds fell into an airport parking lot, one scoring a direct hit on an armoured personnel carrier, the other exploding nearby and spraying legionnaires working on vehicles with shrapnel.

Two of the men who escaped with minor wounds remain in Sarajevo. The other, who was operated on at a U.N. military hospital Thursday night, accompanied the body of his comrade on the medically equipped plane which left for Split.

Another plane was due to fly a group of Bosnian children, and adults accompanying them, to France to spend a holiday there with families.

The shelling forced the closure of the airport Friday to relief and military flights arriving in this besieged city.

and the road between the city and the airport was also closed for some hours after at least one U.N. armoured vehicle came under fire.

Sarajevo Front 'Quiet'; Airport Closed for Relief

LD1202025393 Belgrade TANJUG in English 0007 GMT 12 Feb 93

[Text] Pale, February 11 (TANJUG)—It was much more quiet at the Sarajevo front on Thursday [11 February] evening following heavy fighting during the day, when almost all positions held by the Army of the Serb Republic in Bosnia-Hercegovina were under artillery fire from Moslem forces.

Moslem units began an artillery attack on Ilidza, a Serb suburb of Sarajevo, on Thursday morning in an attempt to recover recently lost territories, but Serb fighters managed to push the aggressor back.

United Nations (U.N.) Secretary-General Butrus Butrus-Ghali deplored the Moslem attack.

Sarajevo's airport was again closed on Thursday for relief flights.

The Bosnian Serb military authorities said on Thursday evening that five French troops of the United Nations Protection Force (UNPROFOR) were wounded in the Moslem artillery attacks.

Sarajevo City Center Comes Under Fire Overnight

LD1202090693 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 12 Feb 93

[Text] Battles raged throughout the night in Sarajevo. Early this morning, heavy-mortar and small-arms fire could be heard in the city center. Following this, even parts of Sarajevo which used to have electricity were left without power.

Bosnian Croats, Muslims Reach Accord

AU1202111193 Paris AFP in English 1101 GMT 12 Feb 93

[Text] Zagreb, Feb 12 (AFP)—Bosnian Croat and Moslem leaders have reached an agreement to end the bloody confrontations between these erstwhile allies in central Bosnia, the Croatian news agency HINA reported on Friday [12 February].

The accord was reached in the Bosnian capital Sarajevo on Thursday, to end fighting between the Moslem-dominated army of Bosnia-Hercegovina and Bosnian Croat forces.

HINA said that the chiefs of staff, Sefer Halilovic for the Moslem side and Milivoj Petkovic for the Croats, had given their troops until 1100 GMT Monday to "withdraw and regroup their positions against the aggressor", meaning the Serbs.

A team of six, three from each camp, will oversee implementation of the order, which also covers filling in the trenches dug by both sides, dismantling roadblocks and creating the conditions necessary for refugees to return.

Prisoners held by both camps will be freed "immediately" in the terms of the order which came into effect when signed.

The team charged with implementing the agreement will also investigate why the fighting flared in Gornji Vakuf, in central Bosnia, and the Croat enclave of Busovaca and propose members of a joint Croatian-Moslem military command.

This latest agreement follows a series of ceasefires, which were immediately violated.

Zagreb, which supports the Croats in Bosnia, has signed a military cooperation accord with Sarajevo.

Meanwhile fighting continued to rage in eastern Bosnia between Serbs and forces loyal to Bosnian President Alija Izetbegovic, the TANJUG news agency reported in Belgrade on Friday.

Flashes of artillery fire were seen in the Bratunac region round the villages of Solotuse, Potocara and Zuti Most, where Moslem forces launched an offensive earlier this week, TANJUG said.

At Lopare, in the northeast, Serbian forces on Friday prevented an attempted push by Moslem infantry, the Bosnian Serb agency Srna reported.

In Hercegovina, in the south, Croat and Moslem forces opened fire on Serbian positions overnight, the agency added.

TANJUG said Sarajevo had been very quiet overnight after a day of fighting, particularly in the Moslem western districts of the capital.

Croats, Muslims Setting up Coordination Team

LD1102234193 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 11 Feb 93

Sefer Halilovic, chief of the general staff of the Bosnia-Hercegovina Army, and Milivoje Petkovic, chief of the general staff of the Croatian Defense Forces [HVO], today signed an order on setting up a joint coordination team in Central Bosnia, whose purpose will be to prevent further clashes between the two armies and organize a joint struggle against the aggressor.

The joint team will be authorized to issue orders, and one of the first orders will be that units of the HVO and the Bosnia-Hercegovina Army move from positions where the two armies clashed, to fill in all trenches and level the bunkers made for this purpose, and to withdraw their men to positions against the common aggressor.

The joint team will also issue an order that all units brought from other areas be immediately withdrawn to the positions they held prior to the conflict, all prisoners be immediately and unconditionally released, especially civilians, all scenes of conflicts be inspected, and that the nature and degree of accountability of individuals be established. Both sides are required to lift all barricades and obstacles in the areas under their responsibility, and immediately ensure the return of people to their homes.

Joint coordination teams of this kind will be set up in Gornji Vakuf, Mostar, and Bugojno, and between Konjic and Jablanica. The order must be executed without delay, and by no later than 1200 on Monday 15 February.

Muslims Release Croatian Refugees

LD1102212993 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 11 Feb 93

[Text] After several days of captivity, Muslims have released 100 women and children—Croatian refugees—from Jajce, Dario Kordic, vice president of the Croatian Community of Herceg-Bosnia, stated in Busovaca today. Life is gradually returning to normal, he said, while in surrounding villages Muslim forces are sill engaging in provocations. They opened fire today on a civilian police control point of the Croatian Defense Council, while this morning they opened sniper fire on the chairman of the Busovaca Red Cross, preventing him from taking out corpses of dead Croats from Croatian villages that have been burned down.

Croat Aircraft Reportedly Overflying Serbs

LD1102214593 Belgrade TANJUG in English 2110 GMT 11 Feb 93

[Text] Belgrade, Feb 11 (TANJUG)—Croatian reconnaissance aircraft on Thursday [11 February] continued overflying Serb positions in Hercegovina, Bosnian Serb military sources said on Thursday evening.

The sources added that Croat-Moslem forces had during the day used howitzers, mortars and antiaircraft machine-guns in Hercegovina near Stolac and Mostar.

The Bosnian Serb Army command in Skelani, eastern Bosnia-Hercegovina, said on Thursday its forces had destroyed a Moslem saboteur group which had the previous night been seen in three boats on the storage lake of the Bajina Basta hydroelectric power plant on the river Drina, in the western part of the Yugoslav Republic of Serbia. Two of the boat were loaded with arms and explosives, while the terrorists were in the third. The Skelani brigade said the group was planning to mount actions inside Serbia.

The Bosnian Serb Army possesses an increasing amount of evidence about a growing rift inside the Moslem military and political leadership, TANJUG was told by the Army's information service.

The Army said a clash had taken place at a recent meeting of the Moslem war presidency of Bosnia-Hercegovina, where, the Army claimed, demands were voiced for Moslem leader Alija Izetbegovic to be declared a war criminal and the "biggest butcher of the Moslem people."

The Serb sources said Izetbegovic had been ascribed the biggest responsibility for an unnecassary war and was charged with seeking to perpetuate it.

The sources said one consequence of the rift was the growing number of political and military replacements among the Moslems, who were, according to the Bosnian Serb sources, increasingly rebelling against central authority.

Army Claims Success on Bihac Front

AU1102164293

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1400 GMT on 11 February carries in its regular 45-minute newscast several reports on the fighting in the republic.

The Gradacac Information Center reports that "there are only minor infantry provocations on the eastern part of the front near Liporasce. This is very unusual for Gradacac. The aggressor is not using his heavy artillery, apart from firing a few 82-mm mortars from Vis to Mionica. The Chetniks are using this treacherous peace to regroup their forces around the city."

The studio announcer says that "most of the fronts in the Tuzla region are relatively quiet. The Chetniks are continuing with attacks on Kamenica on the southern part of the Zvornik commune. The hungry and frozen people of Kamenica, even though under the open sky, are still not losing hope that the world will finally send them the long-promised aid. The situation is also dramatic in Cerska."

The Vlasenica Information Service seated in Cerska reports that "the town is flattened to the ground after being shelled everyday with about 2,000 shells on average. These people are almost at the end of their rope, having lost faith in all agreements and help, which might come too late anyway. These are the most dramatic days since the beginning of the war as the battle for this free territory is raging."

Safet Hrnjica reports from Bihac that "last night, the aggressor carried out offensive operations with the intention of breaking through the defense lines. The worst attacks were registered in Grabez, where the Bosnia-Hercegovina Army launched a fierce counterattack and pushed the Chetniks back to their initial and reserve positions on several parts of the front. At least 30 Chetniks were killed in this operation and the defense lines have been moved several hundred meters, in some places even a kilometer, at the Chetniks' expense."

Reporting from Maglaj, Hajrudin Sermic reports that "it is a relatively quiet day here with some fire from an antiaircraft machine guns from (?Orujine) at the northern part of the town, and sporadic fire from infantry weapons at the defense lines. However, overnight the Chetniks fired with an antiaircraft gun at the town, while there was heavy infantry fighting along the defense lines. An enemy helicopter again flew over last night, but it did not attack."

Hasan Okic reports from Teslic that "the aggressor is continuing provocations with small arms. In the temporarily occupied Teslic, the Chetniks are not satisfied with the fact that they have destroyed all the Croatian and Muslim churches and mosques, that they are carrying out ethnic cleansing of the territory and that they are changing names of streets and squares. Now they have started changing the names of districts and villages. So the aggressor first called Sjenjak, which was populated by Muslims before the occupation, Brezove Dane and again changed that into Mladenovo. The aggressor is obviously trying in every way to remove all the traces of Muslims from the areas in which they have lived for centuries."

Fighting Continues in Eastern Hercegovina

LD1202114593 Belgrade TANJUG in English 1054 GMT 12 Feb 93

[Text] Bratunac, February 12 (TANJUG)—The offensive of Srebrenica Muslims on the Serbian municipality of Bratunac on the River Drina in eastern Bosnia, launched over a month ago, continued on the night of February 11-12.

The Muslim troops, whose ranks include foreign mercenaries and mojahedin, shelled the Serbian villages around Bratunac and the positions of the army of the Serbian Republic in Bosnia-Hercegovina (BiH).

Muslim troops are sporadically opening [word indistinct] fire from surrounding strongholds, commander of the Bratunac-based garrison of the army of Bosnia-Hercegovina Serbs, Lt. Col. Slavko Ognjenovic said.

Croatian-Muslim forces on the Capljina-Stolac front in eastern Hercegovina opened fire from small arms and heavy infantry weapons and mortars during the night, the command of the Hercegovina Corps of the army of the Serbian Republic in BiH said.

The Croatian forces on the Trebinje front in eastern Hercegovina opened fire from small arms and snipers on the positions of the army of the Serbian Republic in BiH along the edges of Popovo Polje. Croatian aircraft on Thursday [11 February] made reconnaissance flights over the Serbian positions in the area of the Trebinje municipality, the Hercegovina Corps command said on Friday.

Commander Accuses Serbs of Using Chemical Weapons

NC1202092993 Cairo MENA in Arabic 0740 GMT 12 Feb 93

[Text] Cairo, 12 Feb (MENA)—Hamid Bahto [name as received], commander of the Bosnian Army in Sarajevo, has accused the Serb forces of using internationally banned chemical weapons against the Bosnian people.

In statements to AL-AHRAM newspaper published today, the Bosnian commander said the Serbs use the chemical weapons against the area of Tozk [placename as received] in the center of Bosnia to undermine the stiff resistance. He said the Serbs previously used these weapons in some areas of Sarajevo.

The Bosnian commander revealed that the Bosnian command has unequivocal evidence that foreign mercenaries are fighting in the war alongside the Serbian forces. He said the Bosnian forces have captured many mercenaries, who come from Ukraine, Russia, Bulgaria, and Romania.

Typhoid, Hepatitis Epidemic in Western Bosnia

LD1102142793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1029 GMT 11 Feb 93

[Text] Bihac, 11 Feb (Tanjug)—An epidemic of typhoid and hepatitis has spread in Bihac in the last few days, and the situation has been made worse by the shortage of main foodstuffs, the SRNA agency reports, quoting a report by the information service of the Second Krajina Corps.

The food situation is best illustrated by the fact that a litre of oil sells at 16 German marks [DM], the same as a kilogram of meat, while a litre of milk costs DM4. A packet of cigarettes of the lowest quality costs DM10 on the black market.

The road corridor used to bring humanitarian aid from Croatia through the territory of the Serb Republic [in Bosnia-Hercegovina] has been closed due to the fighting in the area, and only an occasional plane from Croatia lands at Coralic airport near Cazin bringing in amounts of food hardly sufficient to meet the demands of Bihac's citizens.

Chamber of Counties Voting Results Announced

LD1102230093 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 11 Feb 93

[Excerpt] The Electoral Commission of the Republic of Croatia today published results of voting in 17 counties for the Chamber of Counties of the Croatian Assembly. The results of voting in four remaining counties will be announced after the second round of voting.

According to the results announced so far, the Croatian Democratic Community [HDZ] will have 31 seats in the Chamber of Counties and the Croatian Social-Liberal Party [HSLS] 15 seats on its own or in coalition with other parties. Here is a report by Jasenka Dudic:

[Begin Dudic recording] In Zagreb County, the HDZ gained two seats and the HSLS one; in Karlovac County, the HDZ also won two seats and the HSLS-Croatian People's Party [HNS] coalition one; in Varazdin County, the HDZ, the Croatian Peasant's Party [HSS], and the HSLS-Croatian Christian Democratic Union-Social Democratic Party [SDP] coalition one seat each; in Koprivnica-Krizevci County, the HDZ, HSS, and the HSLS-SDP-HNS coalition have one deputy each; in Bjelovar-Bilogora County, the HDZ, HSS, and HSLS have one seat each; in Primorsko-Goranska County, the HDZ has two seats and the HSLS one; in the Lika-[word indistinct], the HDZ won all three seats; in Virovitica-Podravina County, the HDZ won two seats and the HSS one; in Pozega-Slavonia County, the HDZ won two seats and the HSLS one; in Brod-Posavina County, the HDZ won two seats and the HSLS-SDP coalition one; in Osijek-Baranja County, the HDZ won two seats and the HSLS one; in Sibenik County, the HDZ won two seats and the HSLS one; in Vukovar-Srijem County, the HDZ won two seats and the HSLS one; in Split-Dalmatia County, the HDZ won two seats and the HSLS one; in Dubrovnik-Neretva County, the HDZ two seats and the HSLS one; in Medjumurje County, the HSS-HNS coalition won two seats and the HDZ one; in Zagreb, the HDZ won two seats and the HSLS one. [passage omitted] [end recording]

Hundreds of Bodies Reportedly Found in Graves

AU1102211493 Paris AFP in English 1952 GMT 11 Feb 93

[Text] Zagreb, Feb 11 (AFP)—Mass graves filled with the bodies of hundreds of victims of Serbian "ethnic cleansing" have been found in western Bosnia-Hercegovina, the Croatian Information Center said Thursday [11 February].

The mass graves were found near Prijedor, according to the statements of witnesses, the information center said.

One witness said about 200 Moslems were tortured, killed and thrown into iron mines at Ljubija, about 10 kilometers (six miles) southwest of Prijedor, which constituted the largest of the mass graves, the center said.

The witness said he was among the victims who had been earlier held at the Ljubija stadium, from which he had escaped.

Other witnesses said 172 bodies from the Keraterm detention camp, a former factory on the outskirts of Prijedor, had been thrown into the same mines.

The witnesses said 33 other detainees from the Keraterm camp who had been wounded were burned alive.

One grave containing 120 bodies of two families of Moslems all killed the same day was believed to be situated on the bank of the Sana river near Prijedor.

Thirteen mass graves containing 39 bodies in all had been identified in the village of Brisevo, according to villagers who escaped a massacre by Serbs there at the end of July last year.

Eleven other villagers were buried in the local cemetery, they said.

And six or seven mass graves containing 10 to 12 bodies each had been located in a forest north of the village, the witnesses told the center, a nongovernmental group that makes its reports available to international human rights organizations.

The reports could not be confirmed as the region is under Serb control.

Officially, the detention camps in the Prijedor region have been closed by the Serb authorities in Bosnia.

'Heavy Fighting' Erupts in Novigrad

AU1202131793 Paris AFP in English 1315 GMT 12 Feb 93

[Text] Belgrade, Feb 12 (AFP)—Heavy fighting erupted Friday [12 February] between Serbs and Croats in the strategic town of Novigrad, northeast of Zadar in southern Croatia, Yugoslav television said here.

It reported that "several people have been killed" on the Serbian side around Novigrad, a strategic town on the Adriatic coast.

Meanwhile, the self-proclaimed Serb Republic of Krajina has announced the departure of Defense Minister Nikola Spanovic, the television said. This is apparently due to the poor performance of Serb forces before a recent Croatian offensive that broke a year-long ceasefire.

His portfolio will be taken over by Krajina Prime Minister Zdravo Zecevic.

Fighting was also reported in the area of Benkovac, southeast of Zadar, according to ISKRA, the agency of Serbians of Croatia.

Krajina Commander Comments on Course of Fighting

AU1002153793 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 10 Feb 93

[Report by Dragan Mihovic from Krajina]

[Excerpt] Last night and this morning fighting occurred around Novigrad, on the coastal side of Mount Velebit, and on the approaches to Islam Grcki, Kasic, and Paljuv. During the attack by a saboteur group near Novigrad, out of 25 Croatian soldiers, 16 were killed. Last night, the Serbian side lost four soldiers, while 11 were wounded. Here is what Major General Mile Novakovic, commander of the general staff of the army of the Republic of Serbian Krajina, said about this:

[Begin Novakovic recording] Last night and during the night, the Ustashas [Croatian troops: reference to the fascist government of the Independent State of Croatia during World War II] brought fresh forces. According to the information we obtained through our reconnaissance missions, a fresh unit was brought from Sisak. We inflicted (?major) losses on this unit during the night and this morning. The unit is disorganized to the extent that it could not take part in the fighting [words indistinct] this morning. Nor could another fresh unit that was brought from (?Zupanja). It is obvious that their command is trying to bring fresh forces (?and) to retake what we have liberated with the active exercise of defense. They also want to extend their attacks, according to their main plan, to a line that has been planned but not realized. [end recording]

Cedric Thornberry, deputy commander of UNPROFOR [UN Protection Force] for civil matters, is today holding talks with Krajina officials in Knin. He held talks about humanitarian aid for people displaced from the war torn regions. [passage omitted]

Refugees Allowed To Return to Dubrovnik Area

LD1102145793 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 11 Feb 93

[Text] The regional office for refugees in Dubrovnik today announced a decision to allow the return of refugees to 16 locations beyond the Dubrovnik city area. From today the refugees will be allowed to return to Dubravka, Duba, Jesenice, Travca, Siljeske, Uskoplje, and Brotnice I Kraljevo. Citizens from these areas will be entitled to refugee status until 18 February.

Refugees from Slano, Banici, Visocani, and Lisac in the Dubrovnik littoral, from Kuna Konavoska, Cilipi, and Miocici in Konavla, and from Dubac in Zupa Dubrovacka will be able to begin returning to their homes from 14 February and their refugee status will be recognized until 21 February. Refugees whose homes suffered war damage in the fourth, fifth, and sixth degree are exempt from this decree.

Deputy Prime Minister Cites Statistics on Poverty

AU1102140993 Zagreb NEDJELJNI VJESNIK in Serbo-Croatian 31 Jan 93 p 10

[Excerpt of interview with Mate Granic, Croatian deputy prime minister, by Goranka Juresko; date not given: "A Program for Survival or a Model for Welfare"]

[Excerpt]*The latest public opinion polls show that the Croatian population is optimistic about the future and believes better days are approaching. Nonetheless, to ensure that this future is brighter and contains less of those basic, existential worries, a welfare program is needed to follow the economic one to ensure that the population survives until better times come along. To do this, we need information about the number of people who will be eligible for some form of future welfare help, the measures that will be taken by the government, and the cost of the Croatian welfare program. We talked to Mate Granic, deputy prime minister of the Croatian Government, to find out what the social picture of Croatia is like at the moment and what can and must be done to ensure that the population more easily overcomes the problems caused by low salaries, pensions and unpaid bills.*

[Juresko] According to the figures, what is the present social picture in Croatia like and how many people are living on the poverty line?

[Granic] People living on the poverty line are those people who cannot cover their basic needs with their salaries, by selling some of their property, with help from their families, or in some other way. At the moment we do not know the exact number of these people, nor can we make precise estimates, but it is certain that the number is considerable. This can be concluded from the number of unemployed, retired persons with low pensions, the number of family allowance beneficiaries.... That is why I believe that the Croatian social picture is best portrayed through figures: out of the 4.7 million people established by the 1991 census, there are 261,489 unemployed, 805,767 retired persons, 43,000 workers currently receive the minimal wage, 180,000 receive various forms of welfare, 34,000 receive rent subsidies, 190,000 workers receive family allowance (a total of 342,000 children), and only 1.1 million are employed. In addition, Croatia cares for 265,000 exiles and 403,000 refugees. Moreover, we provide special care for 40 children who have lost both parents in the war, 36 permanently disabled children, 3,708 children who have lost one parent, as well as 23,062 disabled war veterans. The number of war veterans will rise once those who are currently reported as missing or forcibly taken away return. If to this you add the fact that 22 percent of the state territory is UNPA [United Nations Protected Areas] territory, another 4.3 percent is taken up by the pink zones, it is clear that the situation is grave. However, we can solve it. [passage omitted]

'New Page' in Relations With Slovenia

AU1102133393 Zagreb VJESNIK in Serbo-Croatian 4 Feb 93 p 32

[Report by Branko Podgornik: "A New Beginning of Relations"]

[Text] Otocec ob Krki—The Foreign Ministers of Croatia and Slovenia, Zdenko Skrabalo and Lojze Peterle, announced after a three hour meeting held in Otocec ob Krki on Wednesday [10 February] evening that their meeting had opened a new page in relations between the two neighboring countries.

At the press conference, a visibly satisfied Lojze Peterle stressed that the "meeting had taken place in a friendly atmosphere." He added that although he did not "expect spectacular acts" the meeting had "laid the foundations for the eventual solving of pending questions between the two countries."

The Slovene minister stressed that for Slovenia "relations with Croatia were a priority". He said that Slovenia and Croatia were "connected by a mutual past, a mutual border, a desire for freedom, and a mutual interest in peace in the neighborhood."

"I am unhappy that for so many months there have been no contacts on this level," said Peterle and complimented Skrabalo on his "physician's orderliness." Peterle stressed that what was important is the fact that the two delegations had "reached an agreement about the procedure to be followed when solving problems." Peterle added that next on the agenda were meetings between the ministers of defense, industry, transportation, and the groups assigned for dealing with issues concerning the border. These are to be followed by a meeting of government delegations to take place in two week's time.

Minister Skrabalo said that this was a new page in relations between the two countries and that these had been "initiated with more success than we had hoped for." The meeting was a result of a phone call made by the Slovene minister a few days earlier.

"This is a good beginning. We have embarked on a new road," said the Croatian minister and stressed that the meeting had made him "very happy". Skrabalo compared the relations between the two countries to those within a family and said that "possible misunderstandings should be dealt with as within a family." Peterle mentioned the proverb "the best neighbor is the neighbor's neighbor," and stressed that he would like "the neighbor to be the best neighbor."

[Box, page 32]

A Joint Statement

The joint statement of the Croatian and Slovene foreign ministers states that on Wednesday "talks concerning the new phase in relations between the two countries were initiated". "During the meeting, various topics of mutual interest were discussed and a high level of agreement was reached on both sides."

"It has been concluded that the development and improvement of present relations and the solving of pending questions which arose with the emergence of the republics of Slovenia and Croatia are in the interest of the two sides. The foreign ministers agreed which pending questions have priority, so that a meeting of government delegations should take place within the next fortnight. Prior to this meeting, meetings of groups of experts and individual government ministers will prepare the platform for the meeting of Croatian and Slovene Governments."

"It has also been agreed that both sides would avoid actions that would not contribute to the present constructive atmosphere in the relations between the two countries, and that all misunderstandings would be dealt with at the meeting of the government delegations."

Diplomatic Relations Established With Cyprus

LD1102231693 Zagreb HTV Television in Serbo-Croatian 1830 GMT 11 Feb 93

[Text] The Foreign Ministry of the Republic of Croatia has announced that Croatia and the Republic of Cyprus have established diplomatic relations at the embassy level.

Federal

Government Terms U.S. Plan 'Positive Step'

LD1102182793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1629 GMT 11 Feb 93

[Text] Belgrade, 11 Feb (TANJUG)—The Yugoslav Government hails the clear decision by the U.S. Administration to take an active, direct part in peace negotiations on ending the war in Bosnia-Hercegovina based on the principles presented by the secretary of state, a statement from today's session of the FRY Government says.

The Yugoslav Government holds that the U.S. Administration's stand, presented by Secretary of State Warren Christopher, is very close to the peace principles urged by the FRY at the Geneva negotiations. This primarily refers to principles that solutions should be arrived at only through negotiations, and that these solutions ought to be acceptable by the three constituent nations.

The Federal Government has noted with regret that the U.S. secretary of state continued with his unjustified threats to tighten sanctions against the FRY despite his statement that the three warring sides in Bosnia-Hercegovina bear equal responsibility for the situation.

The Yugoslav Government believes that progress at the Geneva negotiations was reached through the positive participation of the FRY delegation, which accepted the proposed Vance-Owen peace plan.

As was noted earlier, the FRY Government accepted the proposed plan as a good basis for a permanent and just solution to the war in former Bosnia-Hercegovina, and in this sense the more active and defined engagement of U.S. diplomacy is assessed as a positive step in the search for the final solution, the statement by the Information Ministry says in conclusion.

Foreign Minister Welcomes U.S. Initiative

LD1102225593 Belgrade TANJUG in English 2157 GMT 11 Feb 93

["Pool" item]

[Text] New York, February 11 (TANJUG)—Yugoslav Foreign Minister Ilija Djukic on Thursday [11 February] applauded the decision of the United States (U.S.) to take an active and direct role in the peace talks on Bosnia-Hercegovina.

Djukic told reporters in New York that Yugoslavia considers it significant that the U.S. strongly supports the negotiations which are underway through the mediation of Cyrus Vance and Lord Owen [Conference on Yugoslavia cochairmen].

He recalled that the Federal Republic of Yugoslavia has given its support to the plan by the two cochairmen of the conference on former Yugoslavia and said he was confident that some problems could be ironed out through further talks.

Djukic said that he was especially pleased that the U.S. shares the belief that the conflict can be resolved through talks and that a solution cannot be enforced but reached only through agreement of the three sides in Bosnia-Hercegovina—Moslems, Serbs and Croats. He said that Yugoslavia has maintained such a stand for a long time.

The Yugoslav foreign minister especially welcomed the active engagement of the Russian Federation in the peace process, which, like the U.S., has strong historic ties with the peoples of the Federal Republic of Yugoslavia.

Djukic recalled that the Serb leadership already last May proposed that the U.S. and Russia take a direct role in resolving the crisis in order to avoid bloodshed in Bosnia-Hercegovina.

Djukic expressed regret that the statement by U.S. Secretary of State Warren Christopher contained one-sided qualifications and certain allegations aimed primerily against Yugoslavia. He said it was surprising, unacceptable and even discouraging that Yugoslavia and Serbia were being threatened by even tighter sanctions and more political pressure.

Djukic underscored that he knew only too well that Yugoslavia with its Republics of Serbia and Montenegro had played an essential role in Geneva in encouraging the peace process and that it continued to play such a role in the talks in New York as well.

Djukic said that the Yugoslav peace efforts were recognized by the U.N. secretary-general, the Geneva conference cochairmen, and participants in debates at the U.N. Security Council.

Expressing the readiness of Yugoslavia to continue these peace efforts, Djukic said that equal pressure should be exerted on all sides in the conflicts which are causing armed clashes in the territory of former Yugoslavia.

Djukic especially pointed out Croatia's aggression on territories which are under the protection of the U.N. with a predominantly Serb population. These attacks must be stopped and the respective U.N. Security Council resolutions must be implemented because this aggression directly threatens all efforts to achieve peace in Bosnia-Hercegovina, Ilija Djukic said.

Protesting Truckers Lift Border Blockade

LD1102204193 Belgrade TANJUG in English 1927 GMT 11 Feb 93

[Text] Subotica, Yugoslavia, Feb 11.(TANJUG)—Drivers who on Wednesday [10 February] blocked the Kelebija border crossing between Yugoslavia and Hungary [words indistinct] after exactly 20 hours lifted their blockade.

After several hours of talks with Hungarian officials in the presence of UNPROFOR [UN Protection Force] representatives from Budapest failed to bring about any results, the drivers decided that a total blockade would not achieve them anything and moved their lorries from the carriageway between the border posts. Traffic was normalized at about 17:00 local time.

Over 50 lorries from several European countries blocked the crossing on Wednesday evening at 20:30 local time.

Drivers from former Yugoslav Republics of Bosnia-Hercegovina and Macedonia, as well as several West European countries, protested about the conduct of UNPROFOR and Hungarian customs officials, who [passage indistinct].

Croatia Accused of 'Ethnic Cleansing' by Serbs

LD1102142093 Belgrade TANJUG in English 1336 GMT 11 Feb 93

["Pool" item]

[Text] Geneva, February 11 (TANJUG)—Ethnic cleansing which is carried out in Croatia goes on unnoticed by the international public, head of the Yugoslav U.N. Mission in Geneva, Ambassador Vladimir Pavicevic said in the U.N. Human Rights Commission on Thursday [11 February], and offered the example of western Slavonija where he said there were no Serbs left.

Ambassador Pavicevic recalled that the Federal Republic of Yugoslavia (F.R.Y.) had presented at the previous special session of the U.N. Human Rights Commission relevant evidence about extensive ethnic cleansing of Serbs in western Slavonija (which is part of a U.N. Protected Area—UNPA) but that those documents failed to elicit any reaction on the part of the international community.

The Yugoslav ambassador said that 400,000 Serbs had lived in Croatia, not including the Republic of Serbian Krajina (RSK) (a part of the former Yugoslavia which constitutes the UNPA), and that less than 70,000 remained there now. He said that the figure was steadily growing smaller.

Ambassador Pavicevic said it was clear that Croatia would shortly cleanse its territory of all Serbs and in general members of nations other than the Croatian. He said that the Croatian authorities had since the outbreak of the conflict in Yugoslavia in 1991 been pursuing an obvious policy of discrimination, forced assimilation and ethnic cleansing.

Ambassador Pavicevic said that 250,000 Serbs had fled from Croatia to the Federal Republic of Yugoslavia so far and more of them continued to seek refuge outside Croatia which he said forced them to sell their entire property and permitted them to take along only 150 Deutsche marks. The Yugoslav ambassador said that thousands of Serbs, especially along the Croatian part of the Dalmatian coast, were for living out of fear for their lives, to change their names and even religion.

Ambassador Pavicevic said that ethnic cleansing was conducted on a large scale in Western Hercegovina (the southwestern part of the former Yugoslav Republic of Bosnia-Hercegovina which is held by Croats). The Yugoslav ambassador said there were no more Serbs in western Hercegovina and the local Muslims were the next target of ethnic cleansing.

Ambassador Pavicevic said that media in the world were systematically providing misinformation about the war in Bosnia-Hercegovina. He said foreign media directed the international public's attention to the tragic fate of Croatian and Muslim refugees while ignoring the existence of hundreds of thousands of Serbian refugees.

The Yugoslav ambassador said that the Serbs who had provided homes for a million refugees and displaced persons had been accused of "ethnic cleansing" while it was overlooked that 34,000 Muslims, mainly children and women, 8,000 Croats, and 43,000 Jews, ethnic Romanians, Hungarians, Albanians, Bulgarians and members of other nations have fled from Bosnia-Hercegovina and Croatia to Serbia and Montenegro, the two Yugoslav republics.

On the other hand, reports about Croat and Moslem refugees in the F.R.Y. are distorted by untrue accusations that they are being detained in concentration camps. However, the existence of such camps has not been confirmed either by a CSCE special commission, or the [Office of the] U.N. High Commissioner for Refugees, or the International Committee of the Red Cross, or other organizations, said Pavicevic.

Such misinformation has been launched over the most influential television nets and papers, while the detailed documentation submitted to the U.N., to the European parliament and to the U.N. Human Rights Commission was never looked into. All those brutal lies are used to satanize the Serbs and prolong the war, the Yugoslav ambassador added.

He said the anti-Serbian propaganda war included also Serbia's southern province of Kosovo and Metohija, i.e. that the position of ethnic Albanians in that province was presented in a false light.

The U.N. sanctions against the F.R.Y. are unjustified, said Pavicevic and added that they affected also over one million refugees in Yugoslavia who were in this way deprived of minimum relief supplies, Pavicevic added.

He said the standard of most of Yugoslavia's inhabitants had dropped below the existential minimum. Sanctions have caused deaths, hunger and poverty, they threaten to effect a social and economic disaster, and halt the democratization process, Pavicevic set out.

He said the suffering of Serbs was far more tragic than presented in Mazowiecki's report to the Human Rights

Commission. Among the peoples of the former Yugoslavia, only the Serbs are denied the right to self-determination, Pavicevic added.

The F.R.Y. strongly condemns ethnic cleansing, regardless of where it is taking place and by whom it is carried out, said Pavicevic.

The Yugoslav government stresses its consistent and in practice affirmed commitment to a peaceful solution of the conflict in the former Yugoslavia. Yugoslavia also reaffirms its readiness to respect human rights, but expects the same from the others, the Yugoslav ambassador set out.

German Arms Exports Continue Despite Embargo

93BA0549G Belgrade BORBA in Serbo-Croatian 25 Jan 93 p 12

[Article by Nenad Briski: "Export of German Arms to Former Yugoslavia: Embargo Continues To Be Violated"]

[Text]*While the Germans are instructing the Bulgarians on how to strictly implement the UN embargo against Yugoslavia, and while, to that same end, they together with EC colleagues are giving lectures for customs officials from Central and Eastern Europe, German businessmen are violating the sanctions by trading with Serbia and Montenegro—the Hamburg weekly DER SPIEGEL alleges in yesterday's edition. At present, 180 cases involving violations of the embargo are being examined, while investigations have been launched in 50 cases. Eight dealers are under arrest, facing two years' imprisonment.*

The investigative authorities tracked them down using wiretapping, which under the latest legislation is permitted—in questionable cases. In this way, it is alleged, numerous telex and fax messages from Serbia and Montenegro were "seized."

The cases are very different—for example, one Munich dealer was asked to supply a container of cigarettes, insulated tape, aluminum powder, and hormones for fattening calves. However, the dealer also placed a phone order for shells and mines for a "local group," after which he was arrested at the Munich airport. He was reportedly carrying various machine parts, and the "goods" were supposed to be smuggled into Serbia that same day.

In Frankfurt, investigators are concerned with a company that imported shoes worth 1.4 million German marks [DM] from Serbia. Its owner is already behind bars. Also arrested was the owner of a company that exported automotive parts who thought up "alternative routes" even before the embargo, which landed him in prison. Goods worth DM1.7 million was confiscated from him. Proceedings are also under way against the owners of buses driven to Serbia despite the ban.

However, it appears that there is trading in much more serious merchandise than shoes and calf hormones. Specifically, DER SPIEGEL alleges that there are more and more "MP 5" automatic weapons in Serbia from the "Heckler" and "Koch" factories in Oberndorf, as well as "Armbrust" antitank missiles.

Dealers are offering the already warring sides in the Balkans a wide range of weapons, including "T 80" tanks and "SU 27" and "MiG 31" aircraft, and the goods are delivered in the short term from a North Sea port. They are most often from the arsenal of the former East German army.

It is interesting that only a week ago the crime division of the German customs service announced that despite tightened controls not a single case of arms being exported from Germany to the former Yugoslavia was uncovered. However, clothing, helmets, and night-observation equipment, which are also prohibited, have arrived in the war zone from Germany. Nevertheless, the customs officials confirmed that frozen fruit was being exported from Germany to Serbia (cherries, raspberries, blueberries), as well as steel pipes and parts for the automobile industry. Germans have exported or attempted to export into Serbia and Montenegro ball bearings, cement, and spare parts for machinery.

The controls will now be tightened even further, but it could be that the "controllers" of telex and telephone communications will be out of work, because there will simply be no further messages from Yugoslavia. Specifically, DER SPIEGEL alleges that plans are being worked out at ministries in Bonn for a total blockade of Serbia. As already announced, this involves severing all telephone and postal connections, and even international trains would be unable to cross Serbia.

Another newspaper, BILD AM SONNTAG, reveals that the crime division of the Berlin police is conducting an investigation into "nine Serbian Chetniks." During a TV broadcast by the station SAT I, they were recognized in the audience by victims. A representative of the Berlin police said that "murder, rape, and serious bodily injury are punishable in Germany even if the crimes are committed abroad."

Citing the police, the newspaper alleges that some Serbian "fighters" have been observed in other German cities as well. The newspaper quotes an expert with the Frankfurt criminal investigation division, Karl Heinz Reinstadt, who says:

"That is of great concern to us. We know that even Frankfurt criminals of Yugoslav origin are involved in the civil war. They are extremely brutal and dangerous. Because of their participation in the fighting, they have become even more dangerous. In many cases we have found weapons that they have brought from the war zone to sell here on the black market."

Several other public figures and politicians have expressed fear that the conflict between the hostile

Yugoslav sides could come to German soil. CDU [Christian Democratic Union] deputy Stefan Schwarz, a leader of the struggle against Serbs, has asked for an investigation into the affairs of the Yugoslav Embassy in Bonn and of the consulates that are left in Germany. Stefan Schwarz says, "They must concern themselves with consular affairs, not secret business, and they cannot offer their services to war criminals like Aleksandar Buha."

Hans Gottfried Bernrat, the chairman of the Bundestag Internal Affairs Committee, has asked that the German state security service follow Yugoslavs. In his words, it is not possible to rule out the possibility that antagonists from the former Yugoslavia will continue their clashes here, as was the case with the Kurds.

Sanctions Effect on Foreign Trade Viewed

93BA0569A Belgrade NIN in Serbo-Croatian 29 Jan 93 pp 27-28

[Article by Slobodan Ikonic: "Foreign Trade: For Sale"]

[Text] *The losses of the foreign trade network are measured in the billions of dollars. Staffs are crumbling, buying parts of their former enterprises very cheaply. There are no prospects...*

Last year we lost about 2.5 billion dollars just on the export of goods. On imports—about 500 million dollars less. Therefore, the UN sanctions are working. Everyone is suffering the consequences: producers cannot import production material, spare parts, and equipment, and enterprises cannot export goods. Citizens who do not have things they are used to are suffering. Enterprises from the sphere of foreign trade are also suffering, because they have nothing to do.

"The dependence of our economy on foreign trade is exceptionally high. Its role in the social product amounts to more than 70 percent. On this basis, the Yugoslav economy is one of the most open in the world. Such percentages apply to a Holland or countries that are totally open. This is very good in principle, because we can survive only as a part of the world. However, under the conditions of the sanctions, this shows how vulnerable we are. We cannot compensate for even a part of these imports, and still less can we compensate the domestic market for exports to other countries that we had," says Danko Cunic, director of the Economic Institute in Belgrade.

All large foreign trade houses are sharing a similar fate. Prevented from engaging in their real activity, they have reoriented themselves to the domestic market and await a return to the world scene. Behind well-regarded names like "Geneks," "Ineks," "Invest," "Progres," there have remained investments in now inaccessible markets, a former reputation, knowledge, and business connections.

Loss of Jobs

"We have broken off all our connections in the relation of Yugoslavia to the rest of the world," points out Zdravko Malovic, deputy director of "Ineks." "In the West the information system works perfectly and it is not possible to hide anything. Through malversations and the system of 'greasing the palm,' we do not wish to raise questions about the name and reputation of a firm that has been operating for half a century in 28 countries of the world. We have done business both in the East and the West with powerful and recognized companies which have respected us as a reliable and safe partner. All the more so because we have had experience in the former USSR. Beginning with Moscow, Leningrad, and Kiev and up to the most distant borders of Siberia."

The greatest part of the activities of "Ineks" consists of export-import business, reexport, acting as a broker, and business related to the export of large investment projects. In 1990 this firm realized a turnover of 2.7 billion dollars and in 1991 3.5 billion dollars. It finished 1992 with several hundred million dollars in losses.

Major deals under contract have been interrupted. Only work on construction of the "Lenin" library in Moscow (the second largest library in the world) was worth 100 million dollars. Also work on construction of a petrochemical complex with several factories (in Russia), worth 150 million dollars.

There were 2,150 employees in an unenviable situation. In the period between June and September of last year, half of the employees were put on paid leave.

"Suspecting sanctions, we increased our imports, especially consumer goods, in the first half of last year. We are still selling them. We are earning some money through the installation of hotel capacities in Brezovica, Tara, and Sutomor. We compensate only to a small degree in this manner. We have had to cut back the representative network drastically and return people to the land. Today 30 percent of the people are on paid leave," Mr. Malovic from "Ineks" says.

Staff is leaving. The most capable are frequently in a dilemma whether to accept employment in a foreign firm, at many times more money, or to remain here, where prospects are very uncertain. People who have worked in Moscow are now switching to some Western firm because of their experience, connections, knowledge of the language and mentality, and being accustomed to a modest lifestyle (by Western standards).

"This is a serious problem both at the level of the Republic and at the level of the enterprise," claims Professor Mladjen Kovacevic of the Economics Faculty in Belgrade. "In order for you to get a top-level foreign trade expert, he would have to work very intensively for 10-15 years after graduating from the faculty in order to reach an advanced level."

Sale to a Well-Known Buyer

In contrast to purely import-export enterprises, "conglomerate firms"—those that have different areas of activity—have fared somewhat better. "Geneks" is partly compensating for huge losses with solid work on hotels in the Kopaonik. By the way, "Geneks" had the largest foreign trade network overseas.

"They are very skillfully using their network abroad even now. They have not reduced it to the extent that could have been supposed. They are using it in carrying out international business outside Yugoslavia. The network in Moscow, which is oriented toward exports of Russian goods to Europe and vice versa, is particularly developed. And this is one of the ways to amortize the negative effects of the sanctions. Yugoslavia is also making use of this business, because the fees that are being realized through it will arrive one day in the country. And personnel will be taken care of," explains Professor Kovacevic.

The very ambitious development plans of the "Jugoeksport"-system are not being realized. The once high growth in all spheres has now stopped or is dropping.

"In the sphere of foreign trade, 'Jugoeksport' has been engaging in acting as a broker, which is the simplest form of foreign trade activity," says Albert Gregorovic, general director of "Jugoeksport." "Thus, during the embargo, we have initiated the complete restructuring of the infrastructure of foreign trade in order to be able after the sanctions to engage in the most complex forms of activity. This is the reason that we are forming a part of the 'Jugoeksport' system that is called 'Yes International' with headquarters on Cyprus."

"I do not believe that control of the home office, where the overseas network is concerned, is rigorous," mentions Professor Kovacevic. "The possibilities for misuse are great. Many firms are selling parts of their network under very favorable conditions, supposedly because of increasingly difficult operations. The buyers are usually people who did this earlier. This is more a matter of ethics, since our legal regulations have made such things possible; this is unimaginable in the business world."

It will be very difficult in coming years. Ten years will be necessary, emphasizes Professor Kovacevic, for the volume of foreign trade activity to return to the level that we had in 1989 and 1990.

In the opinion of Mr. Cunic, it is very essential to maintain contacts. "The losses that have occurred up to now are irretrievable to make up, because former partners have compensated for many arrangements in other countries."

Energy Supplies Scarce, Expensive

93BA0543B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Jan 93 pp 15-16

[Article by D. Nedeljkovic: "Energy: Crisis Since the Election"]

[Text] Soon, it seems, electricity, heat, transportation, and all other ways of using energy will become a luxury accessible only to the rich and privileged. Both because of the quantities of energy we possess, and also because of prices. Consumers of coal, electric power, petroleum, or gas are not, to be sure, in the same position, but on the other hand producers are on the same road, and it leads to paralysis and collapse. The misuse of energy for political purposes, which is most pronounced in the setting of prices, has caused real chaos for producers, their losses have piled up, and the operation of energy systems has been put in jeopardy. Whereas petroleum and gas are in short supply at the moment as energy sources mostly imported, so that they cannot be obtained in sufficient quantities because of the blockade, coal and electric power, which are definitely domestic products, can also quickly become commodities in short supply.

The pressure of consumers on the electric power industry (anticipated anyway because of shortages of other forms of energy) are being withstood by producers for the present, but the distribution network is not able to hold out, and outages and breakdowns are becoming increasingly frequent. And the question is how long producers will be able to resist the pressure, especially if the icy days with temperatures below zero Celsius persist. Even without bad weather the electric power industry is in such an economic position that for at least a year now it has been eating itself, that is, its own capital assets. The datum that electric power rates before the most recent increase were 4.5 percent of so-called parity is presumably sufficiently indicative all by itself. By raising power rates 90 percent, they have "adjusted" parity by 8.5 percent! Experts of the electric power industry argue that heating with electricity is the cheapest, and this is clear to consumers even if they do not make any calculations. It seems that even rural households have switched to electric heat, and so the Serbian Electric Power Industry has achieved a record never before recorded anywhere in the world. Since the economy has been shut down, so speak, two-thirds of total consumption go to households (in normal countries, households have a share of 20-50 percent). Is there any need to explain that this kind of consumption is unproductive, that it is utterly inefficient to convert electricity to heat both in terms of energy and in economic terms? And that it is expensive? The bills, of course, will be coming later.

The situation is the same with coal, if not even worse than in the electric power industry. With the most recent 90-percent increase, coal has become too expensive for consumers, there simply are no customers who can pay that much. And what good does it do for coal and electric power to be economically undervalued if prices are compared to some normal world and converted at dinar exchange rates for foreign currency if the income of consumers in those dinars do not allow the "luxury" which electric power is becoming? Additional pressure on the electric power industry is coming precisely from that quarter—officials are promising the public that they will not have to pay for power before the election, and

then, with the new rates, they explain that the higher cost is because of late payment. It sounds really cynical for the government to explain the high percentage of the rate increase in terms of unpaid bills—if the public did not pay on time when electricity was cheap, how will it be when it is more expensive?

A ray of hope, at least on the public scene, has come from the Federal government's action to import petroleum and gas for humanitarian purposes, as an exception to the sanctions. Initiated more as a political point in "removal of the sanctions," it seems this action will very quickly yield some results. Very modest, judging by the event's progress. According to what Ljubomir Madzar, federal minister for the economy, told newsmen, on 17 December of last year the Committee for Sanctions announced permission to import petroleum products and natural gas for heating on humanitarian grounds under certain conditions. A list of users and the amounts of energy was to be drawn up, and everything was to be done under the eye of humanitarian organizations: the High Commissariat for Refugees, the UNPROFOR [UN Protection Force], the Red Cross, and the Red Crescent. The plan was urgently drawn up in general terms, the amounts of 550,750 tons of heavy fuel oil, 204,400 tons of coal for heating, and 756.2 million cubic meters of natural gas, were arrived at, but administrative and other problems arose. The administrative problems come down to the fact that these humanitarian organizations are not receiving directives from the UN committee, especially not directly, that they are neither competent nor equipped to handle those jobs, either in terms of expertise or in their size of staff. Nevertheless, they have shown maximum readiness to offer help and the procedure is about to conclude.

If the decision on the import permission arrives within days, as the competent authorities hope, there will be domestic problems and bad weather to deal with. First, it has turned out that our importers of petroleum and petroleum products were in debt to foreign suppliers even before the blockade was introduced, and because foreign exchange transactions with the world have been blocked, a way has to be found to pay for the goods. At the same time, the lack of transportation equipment, the frozen Danube, the physical characteristics of heavy fuel oil (it cannot be pumped at low temperature) are restricting this import to token quantities. The exception is natural gas, which the gas pipeline can bring in a moment, so to speak, so that a ray of hope as to the imports for humanitarian purposes does nevertheless exist.

Fuel Shortage Increases Travel by Train

93BA0549D Belgrade BORBA in Serbo-Croatian 25 Jan 93 p 13

[Article by P. Mrdanov: "Railroads: Business Trains—for Passengers"]

[Text]"What kind of a business train is it that stops at practically every rural station? Like a real 'milk train.' That is why I was late for the meeting," a colleague from the editorial office complained to us about how long it takes to travel from Uzice to Belgrade. Instead of a little less than three hours, it took him almost twice as long. Instead of stopping only twice along the way, they stopped at an almost endless number of stations....

"The demand for train transportation has grown so much that it is significantly exceeding our current capacities. Thus, in order for us to transport all interested parties to their desired locations, we are forced to 'convert' business trains into passenger trains. And that means stopping at stations where stops are not usually scheduled. Because the classic passenger trains are already completely full," says Eng. Ljubomir Stozinic, the deputy general director for operations of ZTP [railroad transport enterprise] "Belgrade."

It is understandable that this is very much reflected in the quality of transportation, in comfort. However...

"The concurrence of circumstances, the overall situation has forced us to repudiate for the time being the image of efficiency that we had begun to create. Clearly for the benefit of the passenger, for the benefit of transport, which is ultimately why we exist," says Eng. Stozinic. "That is the only way that we can meet the increasing demand on the transportation market for passenger rail transport. Especially since the passenger trains are already overbooked."

It is not hard to imagine the reason for this influx of rail passengers. Especially for short distances. The long fingers of the "cancer" known as the "blockade" have extended as far as this part of our transportation system. The lack of fuel (or its price) has brought about an increase in the popularity of the railroads and of traveling by train. But at the same time, the "blockade pox" means that this type of travel is falling off as well. The lack of (spare) parts, intermediate goods, and fuel has reduced the number of passenger cars or locomotives by nearly one-third.

"It is really hard to say how long all this will last. Probably as long as the sanctions are in effect," says Eng. Stozinic. "Anyway, during that time we will try first and foremost to satisfy the increased demand for rail travel, but we will not forget the level of service either. Obviously, as much as we are able."

'Astronomic' Interest Rates for Overdrawn Checks

93BA0549E Belgrade BORBA in Serbo-Croatian 25 Jan 93 p 13

[Article by J.K. and B.S.: "Astronomical Interest on Checking Account Overdrafts: Debt as Bad Friend"]

[Text] *Writing bad checks, which is not very lucrative, has become an extremely risky "business"—not because of the danger of ending up in jail, but rather because the*

interest charged as a penalty is so high that it is hard for the citizen-debtor to ever get out of debt. Previously, people experienced shocks only at the end of the year, after their final statements, but now it happens monthly, when their debt can as much as double.

Everyone ends up "in the red" with their checking account once in a while. In recent months, however, many holders of such accounts have been living off of authorized and unauthorized overdrafts. But banks do not give money away; they charge a hefty price for loans, whether they are authorized or not. For example, "Investbanka" takes an annual interest rate of 133,732 percent for unauthorized checking account overdrafts, and 36,858 percent for authorized ones. The monthly interest on an authorized overdraft is 65 percent, for an unauthorized one 84 percent.

The majority of banks do not even figure interest on loans and penalties on a yearly basis any more, since inflation is growing astronomically from month to month and it is practically impossible to calculate interest. That is why all banks are setting their interest rates on the monthly level. Thus, at Trgovacka Banka the credit interest (on authorized checking account overdrafts) is 35 percent, while it is as much as 90 percent on unauthorized overdrafts.

JIK Banka has one of the lowest interest rates on loans—45 percent for authorized overdrafts, and 65 percent on unauthorized ones. Kreditna Banka Belgrade "punishes" an authorized overdraft with 55 percent interest monthly, and unauthorized ones with 90 percent. Jugobanka-Jubanka is somewhere in the middle, with 55 percent interest on authorized overdrafts and 75 percent on unauthorized ones.

Privredna Banka Belgrade authorizes loans to its account holders amounting to two months' personal income, at 42 percent monthly interest. Otherwise, an overdraft of 20,000 dinars is permitted, with punitive interest of 65 percent monthly. According to Vesko Kovacevic, the director of public relations, all banks have recently had problems with overdrafts, because people simply have no money. Interest on unauthorized overdrafts must be higher than interest on savings in order to avoid an outflow of money. Still, Kovacevic said, banks do not profit from the interest that they charge citizens on this basis, because there are major expenses and labor costs involved with this.

Slavija Banka is among the banks with the highest "penalties" on loans from checking accounts. Nevertheless, reductions are provided for pensioners, so that they pay "only" 49 percent, while monthly interest on authorized overdrafts is 65 percent for others. On unauthorized transactions, the interest is as much as 90 percent, but the limit is also very high, depending on the average personal income, and goes as high as 400,000 dinars.

MB PKB Banka has no limit on authorized overdrafts, meaning that it is determined on the basis of deposits during the preceding quarter reduced by 10 percent. As far as "going into the red" is concerned, according to Dusan Zelenbaba, the director of public relations, the sloppiest people are private businessmen and companies, which have a habit of misusing received checks in order to get at cash. As far as citizens are concerned, they resort to "writing checks" "here and there," but are prevented from doing so by the bank itself, because it gives them checks only equivalent to the checking account balance. Interest on overdrafts is 40 percent a month for joint-stock banks, and 50 percent for others on authorized overdrafts and 80 percent monthly on unauthorized ones.

Savings Depositors To Pay Taxes on Interest

93BA0549F Belgrade BORBA in Serbo-Croatian 25 Jan 93 p 13

[Article by T. Jakobi and B. Stepanovic: "Banks Face Decision: Depositors Themselves Pay Tax"]

[Text] *In the future, savings depositors will have to pay tax on dinar and foreign-exchange interest. That is the general approach by banks, which after the cold shower that they experienced at the hands of the government last year have decided to no longer pay taxes on interest instead of their clients. Specifically, bankers have determined that this is an excessive cost for them and that there is no reason why they should bear the tax burden on depositors' income.*

At "Dafiment" Banka, although there have been no official announcements on the matter thus far, it has been definitively decided that the tax be transferred from the bank to the depositors. "Some of them have become multimillionaires, thanks to our interest," people at that bank say. "Vojvodjanska Banka" will reach a decision on this matter at the meeting of the board of directors, but we have learned that all preparations have been made for parties to pay their own tax bill.

"For now, our bank pays the tax daily, and it will continue to do so until the bank's annual meeting, at the end of February, when this question will be reexamined in terms of business policy," says Dusan Zelembaba, the director of public relations for MBB PKB.

For savings depositors, this will come as a shock, because up to now the banks, and not they, have paid the tax liability, while citizens have received pure interest. It was the good will of the banks that prompted them to assume the obligation to pay the 20 percent tax on interest prescribed by the legislature in the Law on the Tax on the Total Income of Citizens. As a reminder, the law that was enacted on 1 January within the framework of tax reform stipulates only that a tax of 15 percent be paid on foreign-exchange interest, and 20 percent on dinar interest. With dinar interest, it was specified that the tax be paid only on real interest, and thus only on the difference above the inflation rate. Through later changes, it was established that the tax rate on foreign-exchange savings be increased to 20 percent as well.

Since the law was not accompanied by clear instructions, it was not applied during the first part of the year. Once the government determined that it did not have enough money for the budget, the tax was roughly apportioned among the banks, and came as quite a surprise. The banks immediately rebelled, in part because of the amounts, but also because this encroaches upon secrecy in savings accounts since it places banks in the position of "local policemen." Account secrecy is also jeopardized by the fact that banks must figure the tax on citizen deposits, and thus, in practice, open up their savings books to the state.

Even last year, bankers predicted that simply figuring the tax (regardless of who pays it) would be a complicated job that their services would not be able to handle. The entire situation is additionally complicated by the fact that there are not even any clear instructions on how this tax should be figured.

"The instructions on figuring the tax on dinar savings are clear, and there we will not be providing any additional instructions," says Zorica Nesic, the head of the tax group at the Serbian Ministry of Finance.

"If, for example, savings were deposited on 15 June and continued until 15 July, then the bank would have to compare inflation from those two months as well as the interest rates, and determine the tax on that basis. This is an extremely complicated transaction. As far as foreign-exchange interest is concerned, we ourselves have noticed that there are gaps in the law, and we at the ministry have just prepared a letter containing our proposals that should be arriving at the Association of Banks today."

Tax experts point out that the confusion surrounding tax on interest is far from being cleared up, because besides this perplexity that seems procedural, there is also a series of dilemmas relating to fundamental questions. Thanks to uncoordinated tax decisions, interest is the subject of dual taxation through the Law on Sales Tax and the Law on the Tax on the Total Income of Citizens, which should not be the case. In addition, tax experts point out that depositors should not bear the tax burden on interest alone; before they receive that interest, the money has already passed through the hands of at least five or six intermediaries who have also made a profit.

[Box, p 13]

Old Savings

Following the letter sent to the Serbian government by the Association of Banks of Yugoslavia, the Ministry of Finance accepted the suggestion and decided that banks should not pay tax on old foreign-exchange savings deposited with the NBJ [National Bank of Yugoslavia], because citizens did not have this interest at their disposal; rather, it was credited to the principal. Thus, citizens will probably not pay tax on that interest now either.

Monetary Policy: Unrestricted Printing of Money

93BA0543A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Jan 93 pp 14-15

[Article by V.G.: "Monetary Policy: Unlimited Additional Printing"]

[Text] The paramount goal of monetary policy at the beginning of this year ought to be "cooling off" the money supply and bringing down hyperinflation, which, according to official statistics, speeded up appreciably in December by 47 percent. But that is easy to say and much more difficult to achieve, because in that effort the National Bank of Yugoslavia, as its governor Vuk Ognjanovic says, is under pressure from all government factors on which monetary movements depend: This is felt in relations with the federal and republic governments and with the national banks of the republics and provinces. Proof that this is actually the case lies in the fact that it still is not possible to shape a monetary policy for this year. That is, the meeting of the Board of Governors was adjourned in late December and was not resumed after New Year's (up to Thursday noon, when this issue of EKONOMSKA POLITIKA was put to bed). Similarly, because of the fall of the Federal Government, there is no global economic policy either.

There will not be resources for the federal budget, which is the only one that has been adopted in the Assembly, and that as a temporary measure, because of the small volume of trade and imports, but also because revenues are being withheld (40 percent of the turnover tax plus customs duties). It is most likely that primary note issue will once again solve the problems of the deficit all by itself. It is certain that the deficit being covered with primary note issue will not be reduced to 283 billion dinars (out of a total temporary budget for the first quarter of 1,034 billion dinars). This deficit of 283 billion is not the only one occurring in the budget, because there are also 120 billion dinars which the federal government intends to use to cover sales of securities with repayment deferred until the end of 1997. Incidentally, all old dinar and foreign exchange obligations of the federation to the National Bank of Yugoslavia are also being postponed for that period.

A particular problem is how under these circumstances the National Bank will reduce the very large selective program of primary note issue, which expanded particularly in the second half of last year. Another 100 billion dinars in notes were issued for exports and export preparation and to finance the metal complex and agriculture. This has to do with the payment of personal incomes, pensions, and also foreign exchange savings, which cannot be furnished normally because turnover in the economy has slowed down markedly.

Another problem that has not been solved is that of the supply of cash to the banks, and there are increasingly frequent reproaches that the National Bank itself is contributing by its "stinginess," because it supposedly is not taking into account the hyperinflation at 20,000

percent. According to the specific figures, however, it is evident that more than 400 billion dinars of cash are in circulation (not counting additional printing when the new 10,000-dinar notes were introduced), which is double the figures which the National Bank has.

All the selective needs have been met, but the problem remains of the "leakage" of cash outside regular (legal) channels in the banking and financial system, although no one can say how this is happening. Unregulated flows within the National Bank itself, which occur between the governors and certain directors, have been mentioned for the first time in the Association of Yugoslav Banks as a channel for the "leakage" (along with the well-known flows in the republic national bank, the Settlement Agency, and so on).

It can be said that when the last primary note issue occurred (in connection with issuing the new bank note), the banks did not possess the new notes at all at the moment when they were first traded, say, on "black" foreign exchange markets. At the same time, even those banks which have shown good business performance have been unable to meet even elementary obligations related to current accounts and giro accounts, savings, and the like, because of the deficit and the irregular supply of cash.

So, the National Bank, according to recent reports, has been forced to accommodate everyone, and has not had the power to prevent the unlawful outflow of cash. Thus, additional printing is becoming almost unlimited.

Serbia

Jovanovic Praises U.S. Initiative for Bosnia

AU1102213693 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 11 Feb 93

[Interview with Serbian Foreign Minister Vladislav Jovanovic by an unidentified reporter in Belgrade—live]

[Text] [Reporter] Mr. Minister, the U.S. President, it seems to me, has taken a long time, had some strategy, but he has come up with a plan that is not the kind that would frighten one. I think he has decided in favor of negotiations. Do you agree?

[Jovanovic] I think we could express your thoughts in even stronger terms. Despite the unprecedented pressure that he was under from both the Islamic world and his domestic politics, particularly the league of retired Western politicians, President Clinton has managed to avoid the main danger, the trap of accepting the military option, and has decided with his heart and mind for a peaceful option, for a political solution to the crisis. That is a feat that a politician in his shoes might not be always able to achieve.

Of course, the plan proposed by America is a mixture of various elements, and one can find in it elements that deserve full support and some others that are obviously the result of the debt that the new administration has toward the previous one as it accepted and inherited certain stereotypes, which are untenable both in reality and in politics, but it seems that there is no way to move forward without paying back that little debt.

[Reporter] So the dialogue continues. Where is it going to take place?

[Jovanovic] The fact that America has decided to support the peace process and to take the role of its sponsor means that it has in essence supported the Geneva formula, and it has added to the existing cochairmen its own representative, Ambassador Bartholomew. There is a possibility that a representative of Russia could join the three, which would mean in practice that the Security Council will be transferred from New York to Geneva, and grapple in a direct and concrete way with the basic problems of the civil war in Bosnia-Hercegovina.

[Reporter] Many analysts in the world think that Russia is now going to play the key role. How would you comment on that?

[Jovanovic] Russia has recently undergone a significant evolution, seeing the crisis in Bosnia as a civil war in which the protagonists in that republic have the main say. That is what brought in the needed balance into the hitherto one-sided approach by the Security Council and the international community to that crisis, when only Yugoslavia, that is, Serbia was totally unjustifiably accused of an alleged aggression.

The Geneva conference and the London one before that were and are the best refutations of that theory on this Yugoslav aggression against Bosnia, as that conference, the conference of the participants in the Bosnian war, the three sides, three nations who cannot agree on coexistence. [sentence as heard] Finally, the anachronism of accusing Yugoslavia of being the most responsible side for the war in Bosnia and the sanctions that resulted out of that have been refuted by two concrete acts of aggression that have in the meantime been carried out by Croatia, a member of the United Nations: one in Bosnia-Hercegovina and the other one in the Serbian Krajina, a territory under the protection of the United Nations. That is a fact that absolutely cannot and must not be ignored, nor can this game of hide and seek be continued, this game of chasing after the wrong culprit, basically one innocent side, and ignoring and pardoning the real culprit in the two acts of aggression.

[Reporter] Could you predict the further development of the relations between Yugoslavia and America?

[Jovanovic] We have always thought that between us, not only the Republic of Serbia but Yugoslavia in general, and America and the American people there were no reasons for misunderstandings, let alone for hostilities. By definition of our interest and our views on the issues of freedom, independence, democracy, and peace, we are natural allies and simply driven toward the fullest and most sincere cooperation. We expect the new

U.S. Administration to consistenly keep that in mind and to take advantage of the fact that it is starting a new period of rule in the United States, to turn a new page in our relations and to take them back finally to the only natural level that exists between us, and has to exist between us, and that is the level of friendship and good relations.

[Reporter] Thank you, Mr. Minister.

[Jovanovic] Thank you.

Seselj Denounces Cosic, Vance-Owen Plan

LD1102151493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 11 Feb 93

[Text] Belgrade, 11 Feb (TANJUG)—Serbian Radical Party [SRS] Chairman Vojislav Seselj briefed journalists today about a 10-point motion which the SRS group of deputies submitted to the Federal Assembly, urging the Assembly to establish whether Yugoslav President Dobrica Cosic breached the Constitution. If this proves to be the case, Seselj said, Cosic should be dismissed.

The motion states that Cosic breached the FRY Constitution by setting up "a parastate body": the Council for Coordination of State Policies, which—as the motion puts it—is above the government and the Assembly.

The group of SRS deputies maintains that Cosic assumed powers which presidents have in the so-called presidential system. On his own initiative, Cosic appointed his advisers and gave them ranks higher than the rank of minister.

The motion also states that Cosic avoided carrying out his constitutional duty of appointing judges to the federal constitutional court and the federal court and of appointing the federal state prosecutor, after his own nominees were rejected by the Assembly.

The SRS motion goes on to say that the FRY president stated on several occasions that he could not cooperate with the Federal Assembly, and then that he usurped government prerogatives in defining and conducting foreign policy and enabling the Federal Government to arbitrarily release a large number of war criminals from prison.

The motion also accuses Cosic of withdrawing FRY troops from Prevlaka, of "deceiving" citizens by claiming that he would resign if parties he supported were not to win, and after the elections he tried to push through the idea of a government of national unity.

Speaking about the Federal Government, Seselj said he does not know who Prime Minister-designate Radoje Kontic will appoint in the coalition government of the Serbian Socialist Party [SPS] and the Democratic Party of Socialists of Montenegro. He then added that the SRS vote in the Assembly will depend on the government's composition and program.

Asked to comment on the new Serbian Government, he said the SPS "wants such a government," and that the SRS stand will depend on government moves.

Commenting on the Vance-Owen plan, Seselj said it will fail and that it will not be possible to reach an agreement in New York because, as he stressed, the Western powers were trying to take away from Serbs their historic and ethnic territories. According to him, the Serb people could never accept the Vance-Owen maps, and the SRS is convinced that Serb representatives will not sign them.

Seselj added that the response of volunteers to the SRS call to go to the Republic of Serb Krajina "is excellent," and that 80 percent of all volunteers from the FRY who went there did so with SRS help.

Assembly President Receives Russian Deputies

LD1102155193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1200 GMT 11 Feb 93

[Text] Belgrade, 11 Feb (TANJUG)—Serbian Assembly President Zoran Lilic received a delegation of deputies of the Russian Supreme Soviet today and discussed with them the causes and consequences of the crisis on the territory of former Yugoslavia and the possibilities for its peaceful resolution.

The fact that everyone, including the U.S. Administration, has accepted the Vance-Owen plan for resolving the crisis in Bosnia-Hercegovina raises hope that a peaceful resolution is in sight.

Indecisiveness by the United States inspired hope on the Muslim side that they would be able to set up their Muslim state at the expense of the Serbs, Lilic said, adding that the international community, and Russia in particular, are expected to make a constructive contribution to implementation of the plan.

Lilic stressed that any plan for a peaceful solution to which all three constituent nations in Bosnia-Hercegovina consent is acceptable to Serbia. He added that Russia can contribute a great deal to correcting the wrong image Serbia and Yugoslavia have abroad and to lifting the sanctions which were unjustly introduced against them.

The Serbian Assembly president and the Russian parliamentarians agreed that their cooperation should be stepped up in order to preserve the national identity of the Slav peoples. To this end a pan-Slavic gathering should be organized, they said.

Russia To Help With Plan

LD1102183793 Belgrade TANJUG in English 1631 GMT 11 Feb 93

[Text] Belgrade, Feb 11 (TANJUG)—President of the Parliament of Serbia Zoran Lilic on Thursday [11 February] presented to a delegation of Russian MP's [members of parliament] the expectations that international

community, Russia in particular, would contribute constructively to the implementation of the peace plan on Bosnia.

The fact that the Vance-Owen plan on settling the crisis in Bosnia-Hercegovina has been accepted by all, the American Administration included, raises hope that a peaceful outcome is in the offing, said Lilic at his meeting with the delegation of Russian MP's in Belgrade.

Lilic stated that the uncertainty of the U.S. had made the Moslems believe that they would, to the Serbs' detriment, set up their Moslem state in Bosnia. He underscored that every peaceful plan endorsed by Bosnia-Hercegovina's three constituent nations was acceptable for Serbia.

He added that Russia could contribute much to the straightening out of a distorted image of Serbia and Yugoslavia as well as to the lifting of the unjust U.N. sanctions imposed on them.

Lilic and the Russian MP's agreed that the Slav peoples had to [word indistinct] their cooperation still more to help preserve their national identity. To this end, a proposal was made for an all-Slav assembly to be organized.

Ministry Publishes Booklet on Self-Determination

AU1102183493 Belgrade POLITIKA in Serbo-Croatian 10 Feb 93 p 7

[Unattributed report "'Right to Self-Determination and Serbian Question'"]

[Text] The Serbian Information Ministry has published a booklet "The Right to Self-Determination and the Serbian Question," whose author is Dr. Slavenko Terzic, director of the Historical Institute of the Serbian Academy of Science and Arts, we found out from this ministry yesterday.

Reviewing the genesis of the Serbian question since 1804, Dr. Terzic claims that the right of the Serbs to self-determination is the key to the solution of the Yugoslav crisis. "It is absurd that a nation that has given the largest contribution to the creation of a joint state becomes the tragic hostage of its forced disintegration through the double-standard criteria of the protagonists of the new world order," Dr. Terzic writes, adding that just after the fall of the Berlin Wall, "new Berlin walls are threatening to divide the Serbs into five or more tiny states."

According to Dr. Terzic, the strategy of the complete revision of the European order established after the two world wars is reflected on the Serbian question. "The attempts at establishing a new balance of power in Europe are violating all the principles on which the modern world is based, and endangering the basic principles of international law," Dr. Terzic claims.

The booklet has been published in English, Russian, and French.

Kosovo

Paper Notes 'Ethnic Albanian Conflicts'

AU1102130393 Belgrade POLITIKA in Serbo-Croatian 3 Feb 93 p 10

[Report by M. Laketic: "Still for an 'Independent Kosovo' or a 'Greater Albania'"]

[Text] Pristina, 2 Feb—Dissatisfied with the Albanian masses' increasingly open support of Rexhep Qosja and with the decision of the pan-Albanian congress in Tirana to make Qosja a member of the working presidency in Kosmet [Kosovo], Ibrahim Rugova, leader of the DSK [Democratic Alliance of Kosovo], tried to reestablish his tottering reputation in an interview published in the latest issue of FJALJA, in which he referred to himself as the president of "Kosovo Republic". FJALJA is a magazine in the ethnic Albanian language. In answer to a question why the Kosovo Assembly had not been constituted, Rugova said that this was a marginal issue that a number of his opponents kept "shoving in his face." He added that the Coordination Committee of the political parties had replaced the nonexistent parliament.

"We have coordinated the jobs that concern general issues, despite the fact that there were opinions that the Coordination Committee should not be functioning, although it is a fact that we had not been meeting lately," said Rugova and appealed for a "coordinated life, which is what the Albanian people need most at the moment." [sentence as published]

While observing that the "Serbian repression is growing more and more brutal," Rugova reminded readers that "the danger of war has not yet passed," although this is "not an issue or concern of the Albanian people, but rather a European and international issue that, if tolerated much longer, must surely be replaced by the logic of the war machinery [ratni aparat]."

"If war breaks out in Kosovo or Macedonia, it will mean a new Balkan war because this is the least well defined remnant of the Treaty of Versailles. Of course, as the most populous group in these parts, scattered throughout several countries, we think that if it comes to this, Albania is here, because we are all one people in spite of the fact that Serbia, Greece and Bulgaria have certain ambitions towards this part of the world," said Rugova and added that they have excellent relations with Albania.

Still not giving up the idea of an independent Kosovo or a Greater Albania, Rugova stressed that it was thanks to the DSK and himself, personally, that the democratic world's animosity toward the will of the Albanian people in Kosmet was resolved. He supported this statement by

saying that during his recent visit to the United States, "the new American Administration had promised to engage itself on the Kosovo and Albanian issue".

Just remember that the president of the nonexistent state did not attend the pan-Albanian congress because he was not invited. Those better acquainted with ethnic Albanian conflicts in Kosmet say that the chairman of the Albanian Assembly did not invite Rugova on purpose because there was a realistic chance of another conflict between Rugova and Berisha on the one hand, and Qosja and his hawks on the other.

What supports this statement is the fact that the founder and president of the Parliamentary Party of Kosovo, Veton Suroi, after resigning from his post, left for London where he resumed his journalistic activity after not having supported any of the above mentioned currents.

EC Mission, Albanian Delegation Hold Talks

AU1102200193 Tirana ATA in English 1311 GMT 11 Feb 93

[From the Report of the European Parliament Mission: "Kosovo's Demand for Independence Does Not Run Counter to Helsinki Act"]

[Text] Tirana, February 10 (ATA)—After several days in Skopje of Macedonia, the delegation of the European Parliament drafted a report which says among other things: On January 24 the delegation headed by Doris Park conducted talks in Skopje with an Albanian delegation from Kosovo. The Albanian party said that in Kosovo, it is not only a question of human rights for the Albanians but also a question of their right to self-determination. The extraordinary situation created there by the Serbs is at the same time a violation of Yugoslavia's Constitution in which Kosovo had the status of an autonomous province. Therefore, the demand for independence does not run counter to the Helsinki Act which is against changing borders, because Kosovo, as one of the eight units of Yugoslav Federation, was politically independent. It is not a question of joining Kosovo to Albania.

In conclusion they said that no political group of the Albanians of Kosovo can tolerate Serbian occupation any longer. The international community should urgently recognize and support the will of the Albanian people and political parties for the recognition of the Republic of Kosovo. Any counter act would cause the extention of war to Kosovo, the report of the observing mission of the people's Christian democratic parties in the European Parliament says.